

# FINANCIAL TIMES

Gramm-Rudman clock ticks on US deficit, Page 16

EUROPE'S BUSINESS NEWSPAPER  
Thursday January 16 1986

No. 29,830

D 8523 B

Asso.	Set 20	Indonesia	Rp 7500	Peru	S. 100
Baham.	Dm 0.650	Italy	1500	S. Arab.	Rs 6.00
Canada	Cdn 1.45	Japan	1500	Singapore	S\$ 4.10
Denmark	Dkr 8.00	Korea	1000	Spain	Ptas 175
France	FFr 6.50	Lebanon	L.L. 8.00	Sweden	Skr 1.00
Germany	Dm 2.20	Malaysia	Mal 4.25	Taiwan	N.T. 80
Greece	Dr 160	Philippines	Php 20	Thailand	Thb 20
Hong Kong	HK\$ 12	Saudi Arabia	Riy 2.75	Turkey	Lira 1.750
India	Rs 15	Sri Lanka	L.S. 20	U.A.E.	Dh 6.50
				U.S.A.	\$1.00

### World news

## Fighters threaten Gemayel palace

At least 45 people were killed and 250 wounded in tank battles in Christian-held areas of Lebanon as pro-Syrian militia fought their way towards President Amin Gemayel's palace.

Reports that the President's main Christian rival, Hafez Hobeika, had been killed were denied. Hobeika last month signed a Syrian-sponsored peace pact aimed at ending the 10-year Lebanese civil war. Gemayel opposed the pact, saying it gave too much power to Moslems.

Moslem West Beirut's television said the pro-Syrian fighters had broken into the Christian leader's mountain stronghold of Bikfaya village. Earlier story, Page 3.

## Lesotho denies coup

Troops and armoured cars surrounded the offices of Lesotho Prime Minister Chief Leabua Jonathan in Maseru, but Foreign Minister Desmond Sixsibe denied reports of an attempt to topple the Government. Page 18.

## Soviet nuclear plan

Soviet leader Mikhail Gorbachev announced a 15-year timetable for banning all nuclear weapons and extended a freeze on nuclear testing by three months. Page 18.

## S. Yemen fighting

Government forces in South Yemen tightened security in the capital, Aden, after three days of fighting following a failed coup attempt. Page 3.

## Officer missing

A West German officer with access to classified information has been missing from his army unit in Munich for three weeks, the Defence Ministry in Bonn said.

## Philippines shooting

A local leader supporting Philippines presidential opposition candidate Corason Aquino was shot in Tulaic province.

## Sri Lanka killing

Twelve people, including a 10-year-old girl, were killed in fighting in Sri Lanka's Eastern Province between Tamil rebels and security forces.

## Pershing change

The US Pershing 2 nuclear missiles in West Germany are being modified to avoid a recurrence of an accident that killed three American soldiers last year.

## Kennedy protest

US Senator Edward Kennedy was held up at Santiago airport for two hours and his car pelted with eggs by right-wing supporters of Chile's military Government.

## Italian doctors' strike

Italian hospital doctors began a four-day strike and announced more stoppages for next week unless the Government allowed them to negotiate pay rises independently of other public health workers.

## Punjab death

Suspected Sikh extremists shot dead a policeman in Punjab and heightened tension with neighbouring Haryana state over conflicting land claims.

## Soviet carrier

Soviet Union has launched its first full-size aircraft carrier and simultaneously begun the construction of a second, the US Defence Department said.

## Jet shot down

Pakistani anti-aircraft gunners shot down an Afghan MiG-21 jet when it and three other aircraft entered Pakistan's air space, Pakistani officials said in Peshawar.

### Business summary

## London markets surge on rate hope

LONDON: Stocks and gilts surged on interest rate hopes. The FT Ordinary index rose 18.3 to 1,108.6 and the FT-SE 100 added 20.4 to 1,390.5. Page 40.

## WALL STREET: The Dow Jones industrial average closed up 4.25 at 1,527.29. Page 40

## TOKYO stock market was closed for a holiday. Foreign toehold in Japan. Page 40

## FRANKFURT: Stocks soared as foreign buyers returned in force driving the Commerzbank index 55.7 higher to 2,161.8. The session was extended by 30 minutes to cope with volume. Page 40

## DOLLAR ended in New York at DM 2.4655, SFr 2.078, FFr 7.5355 and Y202.35. It was slightly weaker in London, closing at DM 2.4625 (DM 2.468), SFr 2.082 (SFr 2.089) and Y202.35 (Y202.6). On Bank of England figures the dollar's index fell to 125.9 from 126.3. Page 33

## STERLING ended in New York at \$1.4435. It gained 15 points against the dollar in London to \$1.442, but fell to DM 3.55 (DM 3.5525), FFr 10.896 (FFr 10.9) and SFr 2.0225 (SFr 2.01). It was unchanged at Y291.75. The pound's exchange rate index fell 0.1 to 78.0. Page 33

## GOLD rose \$8.80 on the London bullion market to \$348.25 and was higher in Zurich at \$347.35. In New York the Comex February settlement was \$350.70. Page 32

## ISRAELI inflation rate, which reached 450 per cent in 1984, tumbled to 185 per cent last year after a wage and price freeze. Page 3

## MEXICO is about to set up a futures market for the "controlled" exchange rate of the peso against the dollar, used for most trade and debt transactions. Page 19

## UK GOVERNMENT confirmed plans to cut defence expenditure, squeeze outlays on social security and speed sales of public assets to hold public spending. Page 18

## FIRST WACHOVIA, south-east US bank, boosted earnings 20 per cent during 1985 from \$156.4m to \$187.7m. The company also increased sharply its loan-loss provision. Page 19

## GULF OIL, Chevron's subsidiary, has run encouraging flow tests yielding good quality light crude in the Celtic Sea off southern Ireland. Page 2

## KAISER ALUMINUM of the US is to make a wide-ranging reorganisation involving raising new capital that should make it less vulnerable to takeover. Page 19

## GROUP LOTUS, UK sports car and engineering group, requested suspension of its shares on the London bourse "pending an announcement". Page 25

## JAGUAR, UK luxury car maker, maintained its position as one of Britain's leading exporters last year by shipping out a record 25,675 cars worth more than £600m (\$870m). Page 8

## INTEL, Silicon Valley semiconductor maker, reported heavy losses in the fourth quarter of 1985 and net income for the year reduced by 99 per cent. Page 19

### CONSORTIUM CLAIMS BLOCKING STAKE IN WESTLAND

## European groups investigate Fiat's links with Libya

BY LIONEL BARBER IN LONDON AND REGINALD DALE IN WASHINGTON

THE EUROPEAN aerospace consortium bidding to block Westland's favoured rescue plan put forward by Sikorsky/Fiat yesterday said it spoke for almost 28 per cent of the helicopter company's shares, enough to defeat the plan at tomorrow's extraordinary general meeting of shareholders in London.

Meanwhile, a second obstacle to Sikorsky/Fiat emerged in the US, where a law firm retained by the European consortium advised that the Sikorsky/Fiat bid might run into trouble with President Ronald Reagan's economic sanctions against Libya.

The Washington firm, Wilmer, Cutler & Pickering, was asked by British solicitors representing the European consortium to assess whether Fiat's connections with Libya might handicap Sikorsky's participation in the Westland rescue plan.

Last Night Mr Lloyd Cutler, a former White House counsel to President Jimmy Carter, said the firm had concluded that Sikorsky faced a "significant risk" of running foul of the sanctions, under which Mr

Reagan last week ordered a virtual total ban on US economic and business links with Libya.

The main implication was that Sikorsky might have difficulty in transferring US technology to Westland under licensing agreements, the lawyers said.

Sikorsky was not available for comment in London.

The Libyan Arab Foreign Investment Company holds around 14 per cent of Fiat, although the original 9 per cent share purchase goes back to December 1976. Two Libyan representatives sit on the Fiat board.

According to the Sikorsky/Fiat rescue proposals sent to shareholders, Westland would receive from United Technologies, Sikorsky's parent company, a licence for the development, sale and manufacture of the Black Hawk medium-weight helicopter, subject to US government consent.

Mr David Horne, managing director of Lloyds Merchant Bank advising the European consortium, said that the consortium had retained a firm of lawyers to see whether such consent was a formality in the light

of the promised transfer of US technology to Westland.

The issue has arisen in the wake of a complaint by the US company J. I. Case against Fiat-Allis North America, a Fiat subsidiary, in a battle for a \$8m Pentagon contract for 178 crawler bulldozers. J. I. Case has asked Fiat-Allis, which submitted the lowest bid, to be excluded because profits from the contract could be channelled to the Libyan Government. Fiat-Allis has dismissed the claim as "ridiculous."

According to Mr Horne's calculations, the consortium can now speak for between 27% and 28 per cent of Westland, slightly above the critical 25 per cent mark which is required to block the Sikorsky/Fiat rescue plan.

Mr Alan Bristow, who is understood to have bought more shares in the market yesterday, now holds around 14.5 per cent; United Scientific holds just under 5 per cent; proxies lodged against the American/Italian deal amount to more than 6 per cent; and Lloyds Merchant Bank has itself picked up around 2 per cent.

## Heseltine says London tried to 'silence' Rome

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

MR MICHAEL HESELTINE, the former British Defence Secretary, last night launched a fresh series of challenges to Mrs Margaret Thatcher, the Conservative Prime Minister, over the way her Government has handled the Westland affair.

In a powerful 45-minute speech in the House of Commons, Mr Heseltine directly contradicted the version of the affair earlier presented by Mrs Thatcher. He also made new allegations about British government pressure being applied on the Italian Government and on the BBC in an effort to limit public discussion.

Mr Heseltine, who favours a rescue for the troubled Westland helicopter group by a five-company European consortium, resigned from the Cabinet last week. He accused Mrs Thatcher at that time of trying to suppress discussion of alternatives to the rescue proposal by Sikorsky of the US and Italy's Fiat, which is supported by the Westland board.

Mr Heseltine's speech will ensure that the political row will continue despite Mrs Thatcher's attempt to defend her record and to criticise his involvement. Many Conservative MPs were last night still deeply unhappy about the Government's performance in the affair and about the possible impact upon party fortunes.

Mr Leon Brittan, the Trade and Industry Secretary, was last night still in a highly vulnerable political position after criticisms in the debate and the earlier publication of a letter from Sir Austin Pearce, the chairman of British Aerospace, claiming that Mr Brittan had directly intervened last week to put pressure on the company - one of two

UK groups in the European consortium - despite the Cabinet's agreement not to take sides. Mr Brittan has strongly denied any such intervention.

Mr Heseltine alleged a number of ways in which the Government had failed to be even-handed. His most serious charge was that the Foreign Office had instructed the British ambassador in Rome to ask the Italian Government to send no more messages of support for the European consortium.

The Foreign Office later admitted that on January 8, the day before Mr Heseltine resigned, a telegram had been sent on the instructions of

Share battle, Page 8; Text of letters; Parliamentary debate, Page 9; Younger plans European tour, Page 18

## US sets budget cuts in train

BY OUR WASHINGTON CORRESPONDENT

CONGRESSIONAL and White House agencies predicted yesterday that the federal budget deficit will rise to a record \$220bn this year. They also took the first steps to construct a package which could, for example, include tax increases - the automatic spending cuts or "sequestering" would be triggered to reduce any deficit to the legal target level.

The sequester order seems destined to cause widespread confusion in government. Mr Rudolph Penner, CBO director, said federal guaranteed bonds issued by the Washington Metropolitan Green Transit Authority "will go into default" if the GAO agrees that its interest payments are subject to sequestration.

Yesterday in the first step of the procedure for the current fiscal year the OMB and the CBO sent to the GAO a 418-page document setting out both the economic and spending assumptions that led them to their budget deficit estimates, and detailing item by item where a sequester order would make its savings.

The law says the cuts must be made equally between defence and non-defence spending, but large areas of the budget have been put

off limits by the bill so the cuts actually fall on only just over 25 per cent of actual spending.

One of the big implications of the automatic spending cuts expected this year is that the military budget, which must absorb cuts of \$5.0bn, will as a result force a reduction in Pentagon spending authority to \$283.8bn from the \$292.8bn set in 1985 - the first year-on-year cut in military budget authority since 1973.

In its economic assumptions the OMB projects real economic growth in the current fiscal year to October 1986 at 3.5 per cent, compared with 3.0 per cent by the CBO.

Although the 1986 automatic spending cuts now seem destined to take place under the new law, the outlook for the fiscal 1987 budget is, to say the least, clouded.

The constitutionality of key sections of the budget bill are being challenged in federal court (the Reagan Administration's Justice Department is backing the challenge) and uncertainty exists about whether the new budget process will indeed force Congress and the White House to tackle the deficit problem.

Feature, Page 16

## Fed set to link banks' capital levels to risks

By Paul Taylor in New York

THE US Federal Reserve Board yesterday announced proposals for sweeping regulations that would for the first time link commercial bank capital requirements to an assessment of the risk involved in various activities.

The rules, if imposed, would require banks engaging in riskier lending or off-balance-sheet financing business, such as letters of credit and credit swaps, to maintain higher capital levels than banks that pursue more conservative activities. The proposals, which are subject to a 90-day comment period, would supplement the existing US bank capital adequacy requirements which require commercial banks to maintain a uniform primary capital-to-assets ratio of 6 per cent.

Under the trends of the Fed's long-awaited proposals, which are expected to be matched by similar moves by the other two key US bank regulatory agencies - the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation - bank activities would be divided into four separate categories of risk - each with a separate capital requirement.

The Fed's four proposed risk categories are:

- Cash and equivalent - assets which are generally regarded as being riskless
- Money market risk - assets generally having little or no risk of default and a high degree of liquidity.
- Moderate risk - assets having more credit and liquidity risk than money market items.
- Standard risk - assets generally "found in a typical bank portfolio" and not included in the other categories.

The complex proposals are generally seen by US bankers and bank lawyers as an attempt by the regulatory authorities to foster more conservative banking practices and force those institutions that engage in riskier business to increase their capital cushion - a key measure of bank safety.

Mr Paul Volcker, the Fed chairman, emphasised that the proposals were open to change and, anticipating possible objections to the scheme, described them as an "imperfect and limited tool." After the comment period, the Fed governors would decide on the final shape of the new regulations.

The US regulatory authorities have become increasingly concerned in recent years about the impact of the rapid growth in bank off-balance-sheet activities, such as letters of credit which are not currently

Continued on Page 18

## Bonn minister fuels interest rate hopes

BY STEWART FLEMING IN WASHINGTON

A PREDICTION from Mr Martin Bangemann, the West German Economics Minister, that the US would seek a co-ordinated reduction in interest rates by the finance ministers of the Group of Five (G5) major industrial countries at their meeting this weekend in London, provoked a flurry of activity in the financial markets yesterday and drew a testy response from Mr James Baker, the US Treasury Secretary.

Mr Baker said after meeting Mr Bangemann yesterday: "my meeting with Mr Bangemann was a private meeting and I will have no comment on his remarks. It is not our policy to discuss in advance the positions we may or may not take in private G5 meetings."

The West German official's comments will be an embarrassment to G5 ministers who have been going out of their way to play down the importance of the meeting. The finance ministers of West Germany and the Netherlands, Mr Gerhard Stoltenberg and Dr Onno Ruding both said on Tuesday the G5 meeting would take no major initiatives on the dollar.

A US Federal Reserve Board spokesman said: "We have no knowledge of what Minister Bangemann is talking about."

Japan is known to favour a co-ordinated cut in G5 interest rates

and yesterday's developments strongly suggest the US wants to raise the issue. But the G5 seems divided.

It is unclear where the Federal Reserve stands on the issue although as the federal agency responsible for US monetary policy its position is of vital importance. The Fed, however, is perceived in the financial markets to have passed up in the past few weeks what some private economists saw as an opportunity to lead interest rates lower.

In Europe, senior monetary officials were playing down any suggestion that governments had drafted plans for a co-ordinated policy to bring down interest rates, but acknowledged that both Japanese and US governments might be anxious for lower rates.

The Tokyo Government was concerned about the impact of the combination of a higher yen exchange rate and higher borrowing costs on its domestic economy, while a joint move on interest rates held obvious political attractions for Mr Baker.

The officials, however, have identified a distinct difference in emphasis between the US Adminis-

Continued on Page 18

Italy and Canada seek G5 role, Page 5; Money markets, Page 33

## German banks urged to back Baker plan

BY JONATHAN CARR IN FRANKFURT

WEST GERMAN banks should express support quickly - preferably by the weekend - for the Baker plan to ease the international debt crisis, according to a leading German banker.

Mr Walter Seipp, chief executive of Commerzbank, said last night that speedy action was needed to head off foreign criticism of German delay on the issue.

About 40 German banks are due to meet here privately next Tuesday to discuss the plan, outlined by Mr James Baker, the US Treasury Secretary, last year.

But Mr Seipp stressed that he felt it would be better if the banks could state their support even before the Group of Five meeting in London at the weekend, when the plan is expected to be discussed.

Under the Baker scheme, commercial banks would agree to lend \$20bn to 15 deeply indebted states over the next three years, with a

similar sum coming from the World Bank and the Inter-American Development Bank.

Banks in several key Western countries have already pledged support for the plan, but so far the Germans have not made clear where they stand.

The "big three" German banks - Deutsche, Dresdner and Commerzbank - are known to be broadly in favour and to regret that no common stand has yet been reached with other German institutions.

Major German regional banks and the Landesbanks - public-sector institutions - have so far held back. Mr Seipp suggested that the Bonn Government or the central bank should act as a mediator to help achieve a joint view.

He warned that the longer there was delay, the more the German position would be open to foreign misinterpretation and criticism.

Continued on Page 18

Europe	2	Currencies	23
Companies	19, 20	Editorial comment	22
America	5	Eurobonds	36
Overseas	2, 3	Financial Futures	33
Companies	23	Gold	32
World Trade	4	Int'l. Capital Markets	22
Britain	8-11, 28	Letters	17
Companies	24-27	Lex	12
Agriculture	32	Management	40
Appointments	29	Market Movers	16
Appointments adv.	14, 15, 16	Men and Matters	16
Arts - Reviews	13	Money Markets	33
World Guide	13	Raw materials	32
Business Law	32	Stock markets - Bourses	37, 40
Commodities	32	Wall Street	37, 40
Crossword	29	London	34-37, 40
		Technology	28
		Unit Trusts	29-31
		Weather	18

Europe: Mr Gorbachev's Ostpolitik	2	US deficit: Gramm-Rudman clock starts to tick	16
Indonesia: facing up to economic decline	2	Economic Viewpoint: crying wolf no longer	17
Guatemala: Cerezo raises the country's profile	5	Foreign policy: Moscow's new self-confidence	17
Management: the revival of British design	12	Lex: Dixons; Westland; Trusthouse Forte	18
Editorial comment: public spending; computers	16	Technology: fighting against hepatitis-B	28

## AN UNBEATABLE FINANCIAL PACKAGE

IT'S WHAT WE'RE CUT OUT FOR

NAME \_\_\_\_\_

TITLE \_\_\_\_\_

COMPANY \_\_\_\_\_

ADDRESS \_\_\_\_\_

TELEPHONE \_\_\_\_\_

FT 16/1/86

**Send for the Clwyd fact pack**

Our package can include cheap loans, cash grants, rent free periods, factories from only £1.30 per sq ft, training assistance, WDA finance and the Delyn Enterprise Zone.

Other benefits on offer are a technology park, green field sites, fully serviced land and proven success.

For further information contact  
**The Clwyd Industry Team,**  
**Clwyd County Council,**  
 Shire Hall,  
 Mold, Clwyd  
 CH7 6NB.  
 Tel. 0352-2121

A better business decision  
**Clwyd**  
 THE COUNTY OF WALES



EUROPEAN NEWS

OVERSEAS NEWS

Gulf strikes oil off south coast of Ireland

BY HUGH CARNegie IN DUBLIN AND DOMINIC LAWSON IN LONDON
GULF OIL, a subsidiary of the US oil company Chevron, has made a promising oil strike 30 miles off the south coast of Ireland in the Celtic Sea last Friday in block 50/6, which showed at a rate of 1,500 barrels a day of fine quality crude oil...

Why Community reform alarms the Danes

DENMARK'S Prime Minister, Mr Poul Schluter, is almost certain to go ahead with his threatened referendum on the EEC reforms package agreed at the summit in Luxembourg last month. It is also widely accepted that a negative vote would be the first step in Denmark's withdrawal from the Community...

production and spends about \$800m a year importing 85,000 barrels a day of crude oil. A 50m barrel field with fine quality oil could be expected to produce up to 30,000 b/d...

Dissident Poles may face prison

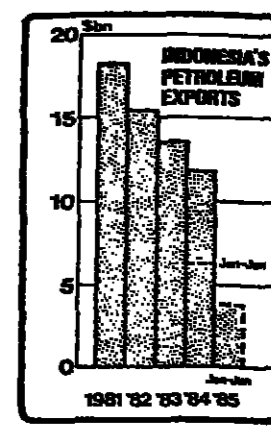
MEMBERS of "Peace and Freedom," a new Polish dissident group arguing for a nuclear-free, neutral Europe, could soon go to prison following a decision this week by a Warsaw misdemeanor court to uphold a \$6,000 zlotys (\$330) fine on five of them...

MEP urges farm export subsidies

MEMBERS of the European Parliament were yesterday urged to seek increased subsidies to export EEC farm surplus in spite of the likely backlash on world markets...

Suharto braced for difficult times Indonesia suffers economic setback as oil prices slump

RICH INDONESIANS like to shop in Singapore, Hong Kong and Paris. They throw lavish wedding receptions, drive expensive cars and wear an abundance of jewellery. They do not exactly flaunt their wealth but they are not coy about it either...



Economic growth, forecast at 5 per cent, was down for 3 per cent last year and is dropping. "With no apparent rise in oil prices, we may be witnessing a structural change in Indonesia's economic prospects," said one economist...

Reagan calls for 'real progress' on arms

PRESIDENT Ronald Reagan yesterday called for "real progress" in the new round of US-Soviet arms talks that opens in Geneva today, so as to carry forward the momentum gained at November's super-power summit...

David Buchan reports on the Soviet leader's regional policy Gorbachev draws allies closer

SOVIET leader Mikhail Gorbachev is proving himself a much more vigorous manager of the Eastern alliance, both in its economic guise as Comecon and military guise as the Warsaw Pact, than his Kremlin predecessors...

Nuclear fusion research to be pooled

THE US, Japan and the EEC yesterday agreed to pool their research efforts in nuclear fusion technology aimed at providing an almost limitless energy source in the next century...

Third World nations urged to expand capital markets

DEVELOPING countries must expand their domestic capital markets if they are to achieve high rates of economic growth and escape the debt trap, says the Manila-based Asian Development Bank in an exhaustive study on capital markets in Asia...

Le Pen wins suits

MR JEAN-MARIE Le Pen, leader of the extreme right-wing National Front in France, yesterday won five defamation suits over allegations that he tortured prisoners while in the army during the Algerian war of independence. AP reports from Paris...

Le Pen wins suits

MR JEAN-MARIE Le Pen, leader of the extreme right-wing National Front in France, yesterday won five defamation suits over allegations that he tortured prisoners while in the army during the Algerian war of independence. AP reports from Paris...

Le Pen wins suits

MR JEAN-MARIE Le Pen, leader of the extreme right-wing National Front in France, yesterday won five defamation suits over allegations that he tortured prisoners while in the army during the Algerian war of independence. AP reports from Paris...

Le Pen wins suits

MR JEAN-MARIE Le Pen, leader of the extreme right-wing National Front in France, yesterday won five defamation suits over allegations that he tortured prisoners while in the army during the Algerian war of independence. AP reports from Paris...

Le Pen wins suits

MR JEAN-MARIE Le Pen, leader of the extreme right-wing National Front in France, yesterday won five defamation suits over allegations that he tortured prisoners while in the army during the Algerian war of independence. AP reports from Paris...

Le Pen wins suits

MR JEAN-MARIE Le Pen, leader of the extreme right-wing National Front in France, yesterday won five defamation suits over allegations that he tortured prisoners while in the army during the Algerian war of independence. AP reports from Paris...

Le Pen wins suits

MR JEAN-MARIE Le Pen, leader of the extreme right-wing National Front in France, yesterday won five defamation suits over allegations that he tortured prisoners while in the army during the Algerian war of independence. AP reports from Paris...

Le Pen wins suits

MR JEAN-MARIE Le Pen, leader of the extreme right-wing National Front in France, yesterday won five defamation suits over allegations that he tortured prisoners while in the army during the Algerian war of independence. AP reports from Paris...



OVERSEAS NEWS

Chinese reject Soviet pact plan

THE CHINESE Government said publicly for the first time yesterday that the Soviet Union for many years had proposed a mutual non-aggression treaty, and China categorically rejects the idea, AP reports from Peking.

A Foreign Ministry spokesman repeated China's stand that political normalisation can only be achieved through the removal of "three obstacles" separating the Communist giants.

Those obstacles are the Soviet troops in Afghanistan, Soviet backing for Vietnam's occupation of Kampuchea, and the heavy deployment of Soviet troops along the Chinese border.

"We have time and again reiterated that the removal of the three obstacles is the only way to normalise Sino-Soviet relations because it has a bearing not only on China's security but also on the upholding of international justice," Li Zhaoxing, a government spokesman said.

The spokesman also dismissed an Afghan government claim that China is arming and training Afghan resistance guerrillas. The Babrak Karmal Government in Kabul made the allegation in a "white paper" presented to the UN in late December.

The Chinese spokesman said: "Recently, while carrying out their military suppression of Afghan national resistance forces, the Soviets and the Karmal authorities have made false charges against China. This is an habitual deception which has been seen through by all people and is not worth refuting."

The official repeated China's denial of statement by Mr Mikhail Kapitsa, the Deputy Foreign Minister, that the Chinese and Soviet foreign ministers will exchange visits in 1986.

The Soviet and Japanese foreign ministers meeting in Tokyo yesterday for the first high-level talks in eight years, candidly discussed "Star Wars", the Soviet military build up in Asia, and other points of East-West friction but also reaffirmed their desire to improve long-strained ties.

Mr Edward Shevardnadze, the Soviet Foreign Minister, cautioned Japan about a possible endorsement of the US strategic defense initiative, while his Japanese counterpart voiced concern over the bolstering of Soviet naval and nuclear missile power in Asia, said a Foreign Ministry official, who spoke on condition that he not be named.

Thai Cabinet reshuffled after election upset

By Boonsong K'Thana in Bangkok THE THAI Government last night announced a major cabinet reshuffle involving members of the Social Action Party, the largest grouping in the four-party coalition.

The shake-up came one day after Mr Kosol Krairiksh, the Commerce Minister, tendered his resignation over the failure of his programme to guarantee paddy prices for Thai farmers, who earlier held a series of rallies in Bangkok.

The party was shaken by a Bangkok election defeat and the resignation of its longtime leader, former Prime Minister Kukrit Pramoj.

Three other SAP Cabinet members, Mr Prayoon Chindasit, Deputy Commerce Minister, Mr Pan Boonchit, Deputy Agriculture Minister, and Deputy Interior Minister, Mr Opas Polasit, also resigned.

At the same time, the Deputy Prime Minister, Mr Boonthien Thongsavadi, also a SAP member, was replaced by the acting SAP leader, Mr Siddhi Savetsila, who is also Foreign Minister.

S. Yemen leader's fate unclear as fighting continues

BY OUR MIDDLE EAST STAFF

THE state-owned Radio Aden resumed transmissions yesterday for the first time since Monday night saying that "Government forces"—meaning those loyal to President Ali Nasser Mohammed—had regained control of the country. It claimed that the politbureau of the ruling Yemen Socialist Party had been meeting continuously.

That indicated that units loyal to the head of state were at least in control of the transmitter but little else. Other reports indicated no clear resolution of the conflict between the supporters of the pragmatic leader of the People's Democratic Republic of Yemen and units of the



Mr Ali Nasser Mohammed armed forces owing allegiance to the more doctrinaire Marxists of the ruling party

who advocate even closer ties to Moscow.

The fate of Mr Ali Nasser Mohammed remained unclear and the fact that he did not speak himself on Radio Aden lent some credence to Tuesday's reports that he had been badly wounded in the coup attempt on the previous day.

There was no confirmation either that his rival and opponent, Mr Abdul Fatah Ismail, had been executed with three of his supporters as Aden Radio had claimed on Monday.

A rebel radio station broadcasting from Lahaj, about 30 miles north of Aden, said that the four men

were still alive.

Confessing the picture further, two Arab newspapers of the region, Al Seyassah of Kuwait and Al Itihad of Abu Dhabi, reported that the second leading figure reported to have been executed had been killed in the coup attempt.

They said that Brig Ali Ahmed Nasser Amari, a former Vice President and Minister of Defence, had been shot dead after he pulled a gun and attempted to kill the head of state after an argument.

Al Seyassah reported that Ali Nasser Mohammed, who has been president since 1980, was wounded and taken

to hospital but that other leaders of the coup attempt had been seized, tried and executed.

Foremost among them, according to Radio Aden's initial account of the savage showdown three days ago, would have been Mr Abdul Fatah Ismail, head of state for 19 months in the 1978-80 period, who was Mr Ali Nasser Mohammed's predecessor as head of state and who only returned from Moscow about a year ago. He regained his place in an enlarged YSP politbureau in October.

Mr Ali Nasser Mohammed started to improve relations with the conservative Arab states of the region after Mr

Abdul Fatah Ismail's resignation and departure for the Soviet Union in 1980 for "health reasons," according to the official version at the time.

Reports of the fighting yesterday indicated that units of the Air Force, where the influence of Soviet and Cuban advisers is probably stronger, were pitted against the Army.

Alrafaa bombed Aden international airport and the harbour district, according to AP. It quoted Japanese trade company representatives as saying that Aden was a battlefield with air, telex and telephone links cut. Only shipping radio communications remained intact.

Court backs rights of strikers in S. Africa

By Jim Jones in Johannesburg

STRIKERS' RIGHTS were entrenched in South Africa this week when the Pretoria Supreme Court found against the Marieval Gold Mine which had sacked 900 men who were participating in a legal strike following a break-down of wage negotiations last September.

Marieval, which is part of the Gencon Group, claimed at the time that it was legally entitled to dismiss the striking miners, and this was upheld by the Rand Supreme Court in Johannesburg.

However, the National Union of Mineworkers (NUM), which represented the men, took the case to the Industrial Court (IC) for a ruling.

In November the IC comprehensively criticised Marieval's handling of the dispute and said that the NUM had actively pursued mediation and arbitration during an industry-wide dispute. It instructed the mine to reinstate 390 union members on the grounds that the mine's labour practices were largely unfair.

Marieval responded that it would rather pay out the men as their jobs had been taken by replacements, and the mine appealed against the IC's finding to the Pretoria Supreme Court.

Gencon, which is South Africa's second largest mining house and is controlled by Sanlam, the Afrikaner insurance group, strenuously denies allegations that it is adopting a confrontational approach to emergent black unions or that its mines' mass dismissals are a form of union-busting.

However, last week Impala Platinum, another Gencon group company, sacked 20,000 non-union striking miners at its Bophuthatswana mines.

Israel's inflation rate slumps

BY DAVID LENNON IN TEL AVIV

ISRAEL'S inflation, which hit a record 445 per cent in 1984, fell to 185.2 per cent last year. The Government is hailing this as a major triumph for its economic policies.

In the wake of this success the Treasury is planning to ask the unions to agree to abandon the traditional automatic linkage of wages to the retail price index. This indexation is generally regarded as a key element in maintaining the price spiral and in blocking efforts during the past eight years to bring inflation under control.

The Israel Manufacturers Association, the representative body of private industry, said that these figures and especially the 1.3 per cent inflation recorded in December made a sharp reduction in interest rates imperative. The president of the Israeli Chambers of Commerce, Mr Dan Gilerman, said recently that interest rates were "at a mafia level, a level that even the worst loan sharks never dreamed of demanding."

Israel has suffered from triple-digit inflation since the 1977 liberalisation of the formerly tightly controlled

economy pushed inflation up from an annual average during the early 1970s of around 50 per cent to 188 per cent in 1979.

A voluntary wage and price freeze, agreed with the unions in early 1984, helped to cool down the frantic pace of price increases. This was reinforced in the second half of 1985, by a statutory freeze enforced by the Government. Since the freeze was implemented five months ago, inflation rose by only 14 per cent, the longest period of sustained price restraint the country has experienced for ten years.

Gemayel loyalists 'capture rebel Christian leader'

LEBANESE President Amin Gemayel's main Christian rival, Mr Elie Hobeika, surrendered yesterday as loyalist forces stormed his headquarters near Beirut harbour behind a tank and gunboat barrage after eight hours of heavy fighting, military sources told AP.

They said that Mr Hobeika called army commander Gen Michel Aoun by radio from the bunker of his besieged headquarters to say that he had ordered his men to lay down their arms. They said two armoured personnel carriers were then despatched to evacuate Mr Hobeika and senior aides.

Mr Hobeika's surrender bolstered Mr Gemayel's prestige among Lebanon's 1.5m Christians, crushing a challenge by the 29-year-old former bank clerk that only two days ago had the President apparently isolated.

Mr Gemayel's victory also

dashed hopes of implementing a Syrian-sponsored peace pact Mr Hobeika had signed with Moslem warlords on December 29 to end Lebanon's 10-year civil war. The President opposed the pact with other Christian politicians, who charged it surrendered too much power to Lebanon's Moslem's after four decades of Christian domination.

Reports of the surrender came as Mr Walid Jumblatt, the Druse leader and the Shi'ite Moslem chieftain, Mr Nabih Berrri, who signed the treaty with Mr Hobeika, met in West Beirut to discuss what aides called "ways of coping with the current betrayal of the peace accord."

Syrian Vice President Abdul-Halim Khaddam, arrived unexpectedly in Riyadh yesterday for talks with Saudi Arabian King Fahd. The official Saudi press agency reported his arrival, but did not elaborate on the purpose of the visit.

Spain on brink of diplomatic ties

BY TOM BURNS IN MADRID

REPORTS of stepped-up Spanish efforts at the main Spanish airports and at other potential Arab terrorist targets fuelled expectations yesterday of an imminent decision by the Madrid Government to extend full diplomatic representation to Israel.

Press comments in Madrid suggested that the announcement could be made on Friday when Mr Francisco Fernandez Ordonez, the Foreign Affairs Minister, returns from a tour of

Central America. Last Friday, Mr Fernandez Ordonez summoned Arab ambassadors in Madrid to a meeting in his office and informed them that the Government would be exchanging ambassadors with Jerusalem within the first six months of this year.

At the beginning of this week Mr Narcis Serra, the Defence Minister, returned from an official visit to Egypt where officials said he explained the

Spanish decision to President Hosni Mubarak. The absence of diplomatic relations with Israel is virtually the sole foreign policy leftover of the Franco years and their establishment has, in the public agenda for the past decade, Spain's entry into the European Community has increased pressure to end the anomaly.

Plans in the past to normalise relations with Israel have been stalled by fears of an Arab backlash.

WORLD BANK STUDY CRITICISES POLICIES

Egypt falls short on 5-year plan

BY TONY WALKER IN CAIRO

EGYPT has fallen well short of its five-year targets according to a 1985 World Bank study which is also critical of the plan. The report, recently circulated among international agencies and western Governments, says the 1982-83 to 1986-87 plan "sets ambitious goals" but contains "little to indicate the specific policies needed to reach these goals."

Gross domestic product (GDP) growth in the first two years was about 6 per cent compared with a target of 8.5 per cent. The domestic savings effort has not shown any significant improvement and investment has fallen short of the plan's expectations, the report said.

The World Bank estimates that real investment grew by 2.9 per cent annually during the first two years of the plan, well below the 10.5 per cent target. The five-year plan had in fact anticipated a virtual doubling of rates of domestic saving and a continuation of high growth rates of investment.

The World Bank study coincides with financial concern in Western financial circles about the performance of Egypt's economy, in particular a deteriorating debt service position.

Egypt's short term external debt was \$5.5bn (\$4.2bn) at the end of June 1984, an increase of almost \$1bn in a year. The bank estimated total disbursed civilian debt was

sources of foreign exchange are being squeezed) will have to make better use of "existing productive assets, in the public sector, if it is to maintain reasonable rates of growth. The bank outlines what it describes as a minimum package of necessary policy reforms, which include:

- Raising energy prices to world parity over 10 years beginning in 1985-86. This policy assumes that all public sector enterprises would pay the increased charges.
- Shifting the exchange rate for calculating customs duty from the official rate to the market exchange rate.
- Implementing a limited increase in public enterprise prices, so as to yield additional revenue of about 0.5 per cent of GDP per year by the end of 1991-1992.

The pace of adjustment assumed here may appear quite rapid compared to the relative lack of action in the past," the World Bank says. "The policies are, nevertheless, quite feasible and constitute a minimum effort if the economy is to achieve even moderate sustainable growth over the coming decade."

The bank is critical of administrative shortcomings in Egypt's economic planning and implementation apparatus, describing the operations of various ministries and government authorities in the economic sphere as "highly fragmented."

"Consequently, a large gap between public saving and investment persisted over the last decade, requiring large external financing, absorption of private domestic saving and inflationary bank financing."

The World Bank warns that Egypt, because of the deteriorating external economic environment (oil revenues and other

New Issue January 16, 1986

All these Bonds having been sold, this announcement appears as a matter of record only.

WestLB Finance N.V.

Curaçao, Netherlands Antilles

A \$ 50,000,000 14% Bearer Bonds due 1991

Secured on a Deposit with the London Branch of WESTDEUTSCHE LANDESBANK GIROZENTRALE

WESTDEUTSCHE LANDESBANK GIROZENTRALE	SECURITY PACIFIC Limited
BANK BRUSSEL LAMBERT N.V.	BAYERISCHE LANDESBANK GIROZENTRALE
COUNTY BANK Limited	DEUTSCHE GIROZENTRALE - DEUTSCHE KOMMUNALBANK -
GENOSSENSCHAFTLICHE ZENTRALBANK AG Vienna	GIROZENTRALE UND BANK DER ÖSTERREICHISCHEN SPARKASSEN Aktiengesellschaft
HAMBROS BANK Limited	KREDBETBANK INTERNATIONAL GROUP
MORGAN GUARANTY LTD	THE NIKKO SECURITIES CO., (EUROPE) LTD.
NORDEUTSCHE LANDESBANK GIROZENTRALE	ORION ROYAL BANK Limited
J. HENRY SCHRODER WAGG & CO. Limited	YAMAICHI INTERNATIONAL (EUROPE) Limited
	BAYERISCHE VEREINSBANK Aktiengesellschaft
	FIJI INTERNATIONAL FINANCE Limited
	GRINDLAY BRANDTS Limited
	MERRILL LYNCH CAPITAL MARKETS
	NIPPON CREDIT INTERNATIONAL (HK) LTD.
	SANWA INTERNATIONAL LIMITED
	ZENTRALSPARKASSE UND KOMMERZIALBANK, WIEN

HP CASTELLA Golden Virginia Kronenbourg 1664 IMPERIAL GROUP Famous brands doing famously WELCOME SEVEN SEAS REGAL KING SIZE ANCHOR HOTELS

This advertisement is published by Hambros Bank Limited, on behalf of the Imperial Group plc. The directors of the Imperial Group plc, (including those who have delegated detailed supervision of this advertisement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate. The directors accept responsibility accordingly.



WORLD TRADE NEWS

Japanese raise stakes in Soviet contracts race

THE international bidding for two large process plant contracts in the Soviet Union, together thought to be worth over \$400 million, has intensified with the emergence of Japanese financing offers.

Ericsson awarded Brazilian orders

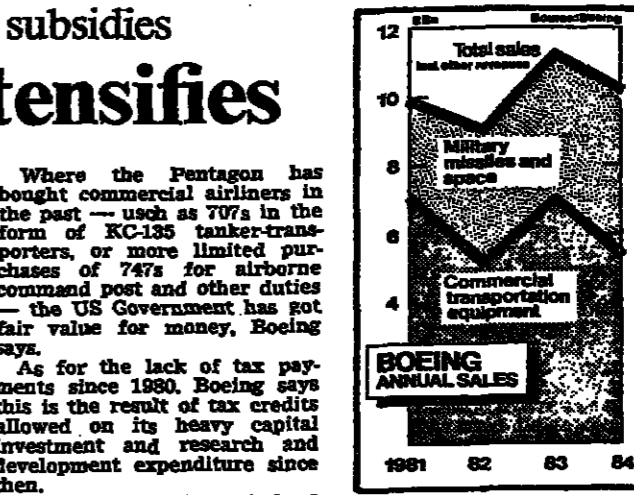
L. M. ERICSSON, the Swedish telecommunications and electronics group, has won orders worth \$100m (\$89.5m) from the Brazilian Government-owned Telebras PTT.

Airbus and Boeing step up war of words over subsidies Battle for airliner sales intensifies

ALLEGATIONS and counter-claims are flying across the Atlantic with increasing vehemence and regularity as the competition for jet airliner sales heats up between Boeing and Airbus Industrie.

Michael Doane in London and David Marsh in Paris conclude a series on Boeing and Airbus with an analysis of the growing tensions between the two aircraft makers

Boeing is negotiating a joint venture in Japan, adding to existing co-operation over the long-term order for local aircraft types, has stepped up its assault on Airbus's financial base.



Boeing's continuing dominance in the US commercial aircraft market is highlighted by its order intake last year, which was \$1.5bn against \$4.5bn for Airbus.

NOTICE OF REDEMPTION

To the Holders of

WESTPAC BANKING CORPORATION

12% Subordinated Bonds due 1992

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Trust Deed dated January 31, 1985, \$10,000,000 principal amount of the above described Bonds has been selected for redemption on February 18, 1986 at a redemption price of 101% of the principal amount thereof, together with accrued interest to said date, as follows:

Table listing bondholders and their respective bond numbers and amounts. Columns include bond number, name, and amount.

Australia strengthens offsets policy

AUSTRALIA is to strengthen its offsets policy, which requires foreign contractors to pass on work to government-owned firms.

TDK to start production at former Grundig plant

A JAPANESE company is planning to make audio and video cassettes at a plant shut down by Grundig.

VOGELSTRUISBULT METAL HOLDINGS LIMITED

(Incorporated in the Republic of South Africa) A MEMBER OF THE GOLD FIELDS GROUP

(Registration No. 05/0436/06)

PRELIMINARY ANNOUNCEMENT OF RESULTS

Financial statement table for Vogelstruisbult Metal Holdings Limited, showing consolidated income, expenditure, and profit for the years ended 31 December 1985 and 1984.

DECLARATION OF FINAL DIVIDEND

Dividend No. 78 of 20 cents per share in respect of the year ended 31 December 1985 is today declared in South African currency, payable to members registered at the close of business on 31 January 1986.

Talks may boost Gatt round

INFORMAL talks between the world's three major trading powers—the US, Japan and the European Community—may lead to a new round of international trade liberalisation.

Can Europe catch up?

A bound reprint of a series of articles "Can Europe catch up?" and "Towards a Free Trade Community"—previously published in the Financial Times during 1985—is now available price £4.95 including postage and packing.

On February 18, 1986, the Bonds designated above will become due and payable as aforesaid in such coin or currency of the United States of America as at the time of payment shall be legal tender for public and private debts.

WESTPAC BANKING CORPORATION

Dated: January 16, 1986



## Canada and Italy concerned over exclusion from G5

BY JAMES BUXTON IN ROME AND BERNARD SIMON IN TORONTO

MR BETTINO CRAXI, the Italian Prime Minister, has protested strongly about Italy's exclusion from the Group of Five industrial countries which take key decisions on currency issues.

The Group of Five (G5) — whose members are the US, West Germany, Japan, Britain and France — meets in London this weekend to review the currency situation.

The last time they met was on September 22 in New York, when they agreed to concerted action to drive down the value of the US dollar.

Italy was offended not to have been included in that meeting, particularly because the Bank of Italy subsequently incurred a big decline in its foreign-exchange reserves through the need to act with the G5 central banks and sell the US currency.

Italy and Canada, both members of the Group of Seven industrial countries best known for their spectacular economic surpluses, made clear their concern at their exclusion from the G5 meeting.

The currencies of all the G5 countries are included in the basket on which the value of the Special Drawing Right (SDR) is based. Neither the Italian lira nor the Canadian dollar is part of this basket.

At the end of December, Mr Craxi wrote to the heads of state of the US and France and the heads of government of West Germany, Japan and Britain protesting because Italy had not been asked to the London meeting of G5 this weekend.

He pointed out that it was difficult for Italy to fulfil its function as

a member of the Group of Seven if it was left out of the deliberations of the Group of Five. Italy, he added, was a leading member of the European Monetary System and as such has to share the sacrifices resulting from the deliberations of G5.

He said that the exclusion of Italy from G5 created unnecessary political difficulties among countries which were allies.

Italy wants G5 to be enlarged to include itself and possibly Canada. It is not suggesting that the Group of Seven should take on functions of G5.

Yesterday, a spokesman for Mr Craxi said that Italy was not prepared to let the matter rest, because the G5 countries had evidently not decided to invite Italy to the London meeting. "We shall be returning to the attack," he said.

Canada has voiced its concern that the Group of Five will become "overly institutionalised" and detract from the work of other international economic groups.

A Canadian Finance Ministry official said yesterday that Ottawa had not applied to join G5. However, Mr Michael Wilson, Finance Minister, has emphasised to Mr Howard Baker, US Treasury Secretary and other G5 participants that meetings of G5 members without prior notice or consultations with other major trading nations, were "extremely unhelpful."

Opposition groups were dismayed at Canada's non-participation in last autumn's G5 meeting in New York, which took decisions affecting domestic interest rates and the value of the Canadian dollar.

## Shultz says sanctions would hurt

By Flora Thompson

MR George Shultz, US Secretary of State, said yesterday that if Libya's major European trading partners were to apply economic sanctions similar to those imposed by the Americans it would have a considerable impact and cause Libya great difficulties.

Mr Shultz was speaking to European journalists on a satellite link up on the eve of his deputy Mr John Whitehead's arrival in London today. Mr Whitehead will tour several European capitals to discuss efforts to combat international terrorism.

Asked if he was disappointed with the West German Government's reaction to the sanctions announced by President Ronald Reagan on January 7, Mr Shultz said: "Of course we would like to see positive reaction, we would wish their attitude would be different." He stressed, however, that Mr Whitehead would not be trying to "twist arms."

Libya and Col Muammar Gaddafi, the Libyan leader, had been financing terrorists since 1980.

"I have no doubt, and my friends in Europe have no doubt, that Gaddafi is in bed with the terrorists," Mr Shultz said it was necessary to isolate them, cut off their safe havens and connections.

## Robert Graham on the impact a new civilian president may have in Central America

# Guatemala looks beyond its borders

GUATEMALA is expected to play a more active role in Central America following the inauguration of the country's civilian president, Mr Vinicio Cerezo, on Tuesday.

Even before taking office, Mr Cerezo made a point of calling on the leaders of neighbouring countries and promoted the idea of a regional parliament as a forum to diminish tension and revive the moribund Central American common market.

Guatemala is the most populous Central American country with a population of 6m and its economy the most diversified with the widest export base.

Furthermore, given its strategic position as the buffer between Central America and Mexico, a more outward going role by Guatemala is bound to have significant repercussions within the region.

The most curious aspect of the tensions in Central America since 1979 that marked the onset of the civil war in El Salvador and the overthrow of the Somoza dictatorship in Nicaragua has been Guatemala's marginal position.

Guatemala's military rulers have refused to take sides openly on regional conflict, even though they have been inspired by fierce anti-Communist ideologies and have been waging a tough campaign against a leftist inspired guerrilla insurgency in the countryside.

In part this reflected domestic preoccupations. The military was concerned with disputing the spoils of power and were clearly committed to crushing the guerrilla insurgency.

But this independence has also been a consequence of the isolation imposed on the military rulers because of their appalling human rights record, especially regarding the Indians.

Since the days of the Carter Administration, the US Government has provided only minimal financial and military assistance. The Guatemalan military regarded US pressure as unacceptable interference in domestic affairs, and felt little obligation to toe the Reagan Administration's line in Central America.

On the contrary, Guatemala has made a point of retaining good relations with Mexico and an understanding with the Sandinista regime in Managua.

Thus Guatemala, despite possessing the most experienced military establishment in Central America, has consistently refused to be drawn into reactivating the regional military alliance, Condeca, which the US would like to use against Nicaragua. The Guatemalan Government, also refused to criticise Nicaragua. In domestic terms this policy has paid off. Nicaragua has studiously avoided supporting the guerrilla movement in



Cerezo: promising austerity



the Nicaraguan Government's international position will be weakened even further. Yet if Mr Cerezo resigns, which he may well, it could provide a shot in the arm to peace efforts in the region — in particular the Contadora Group's initiative.

The Contadora Group—Colombia, Mexico, Panama and Venezuela—discussed the peace plan in Guatemala City on Tuesday after Mr Cerezo's inauguration, resulting in a renewed pledge to make the initiative work.

Developments are also expected in Guatemala's long running claim to Belize. In private Mr Cerezo has indicated to the Belize Government that he would like to see a settlement that would lead to recognition of the former British colony.

Britain still retains up to 1,600 troops and military personnel in Belize, at an annual cost of £30m, to protect it against Guatemala.

Any move to settle the dispute would have a direct impact on Britain's military presence in a Central American country. The US Government has no desire to see the British go, and until now the Guatemalan military has also appreciated the fact that the British presence has ensured guerrillas do not use the country as a safe haven or as a conduit for Cuban weapons.

## Reagan seeks to ease anti-trust laws

BY NANCY DUNNE IN WASHINGTON

THE REAGAN Administration has decided to seek changes in the US anti-trust laws which would allow American companies to compete more effectively in the international market place, the White House said yesterday.

Mr Larry Speakes, White House spokesman, said the Administration would ask Congress to pass a legislative package which includes a proposal to exempt those companies hurt by imports from various anti-trust restrictions on mergers. The President would also propose limiting damage awards for violations of anti-trust law.

Mr Speakes said that only five of the world's 15 largest corporations are located in the US. The current anti-trust laws, including the Clayton and Sherman Acts, are "from another era," he said.

"In the long run we think it will allow American corporations to better serve consumers and it won't offer competition in the local market," he said.

A reform of anti-trust laws has been under discussion within the Administration for some time. Mr Malcolm Bal-

drige, the Commerce Secretary, has frequently spoken out for an easing of the 85-year-old law.

According to the Washington Post, the President will propose a five-point package including provisions which would make it more difficult for courts to block mergers; change rules that limit corporate directors from serving on the boards of competing companies; restrict the ability of US companies to sue foreign companies for alleged anti-trust violations committed on foreign soil.

Another proposal would give a five-year exemption from the anti-trust laws for mergers and acquisitions in import-damaged industries. Similar legislation is already under consideration in Congress.

The legislative package is likely to be extremely controversial in Congress, where critics have already complained about the Administration's weak law enforcement. Mr Peter Rodino, chairman of the key House judiciary committee, has said he does not believe any far-reaching changes will be approved.

## Report calls for strategy to eliminate racketeering

BY NANCY DUNNE IN WASHINGTON

PRESIDENT REAGAN'S commission on organised crime has recommended the development of a national strategy to bankrupt racketeering which it says has now become firmly entrenched in the US market place.

In a report released this week, the first comprehensive survey on organised crime in nearly three decades, the prestigious, bipartisan commission criticised both the "fragmented," uncoordinated efforts of government agencies which "count bodies" as a measure of success as well as Reagan Administration "contacts" with suspected mobsters.

"Certain political alliances and well-timed political contributions can create an appearance of impropriety," it said, mentioning Mr Jackie Presser, President of the International Brotherhood of Teamsters, who has on occasion met with the President and President Bush.

He said "The impact of such contacts can lead to an erosion

of public confidence and dampen the desire to end racketeering."

Often the key to marketplace corruption by organised crime is the control and exploitation of labour unions. The report lists four key unions with histories of control or influence by organised crime: the International Longshoremen's Association, the Hotel, Employees and Restaurant Employees International Union, the International Brotherhood of Teamsters and the Laborers International Union of North America.

Only a small fraction of labour organisations are dominated by crime figures, but key branches in large cities representing thousands of members have allowed mobsters to gain a foothold in the international marketplace, the report said.

The national strategy urged by the commission would combine the efforts of private industry and various governmental agencies working on industry by industry task forces.

## Washington extends warm welcome to Ecuador leader

ECUADOR'S President Leon Febres Cordero, one of the US Administration's favourite Latin American leaders, because of his outspoken anti-Communism and free-market economic policy, has been given a warm welcome by President Ronald Reagan in Washington at the start of a six-day visit, AP reports from Washington.

Much to the delight of the Reagan Administration and international bankers, Mr Febres has acted decisively to cut the State role in the Ecuadorian economy and also has promoted increased foreign

investment. Since he took office 17 months ago, Ecuador's inflation rate has dropped from 60 per cent to 20 per cent.

During his visit, Mr Febres is expected to sign financial assistance agreements with the World Bank and the US Agency for International Development.

Ecuador is the only South American country that receives so-called economic support funds, a special category of assistance reserved exclusively for countries of special security and political importance to Washington. The amount earmarked for this fiscal year is \$15m (£10.5m).

"I am delighted, for the eighth successive time, to be able to announce a significantly improved performance for Guinness PLC.

Profits for the year ended 30th September 1985 are a record £86.1m: an increase of 22% over the previous year.

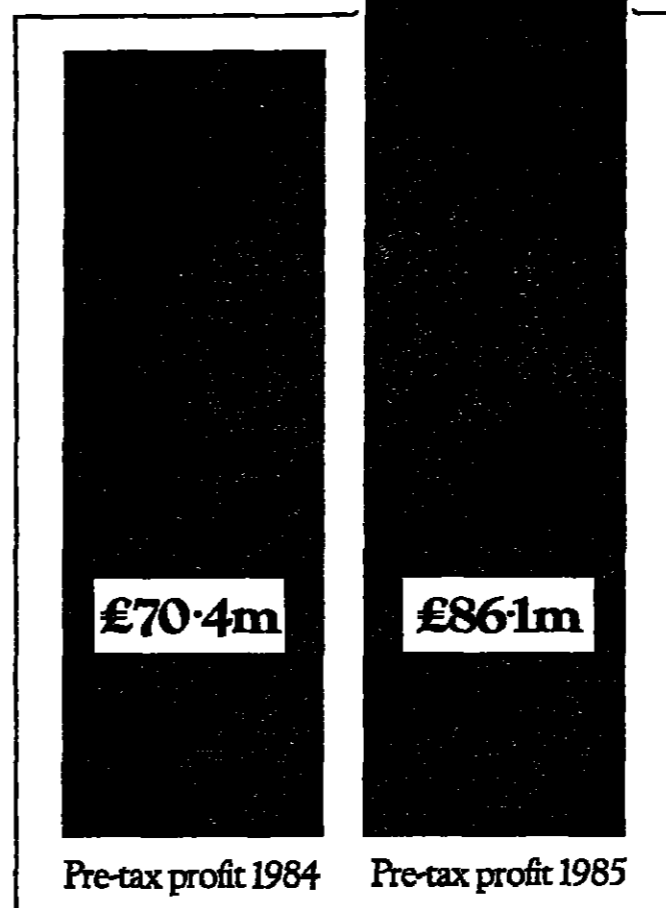
We've achieved this partly thanks to even greater popularity of our most famous brand. The most distinctive beer there is.

In the UK alone, sales of draught Guinness (supported by the Genius advertising campaign) increased at twice the rate of lager.

But our growth has not just been achieved by 'staying in the black'.

We've also applied our management skills to growing the company in four areas: International Beverages, Convenience Retailing, Health Care, and Publishing.

And we've acquired several more famous brands, each having great potential. Such as Bell's, Cranks, Gleneagles and Champneys.



over 1100 stores, we've increased profits from £5.5m to a very significant £13.8m.

**GOOD FOR SHAREHOLDERS**

Our twin strategy of good management for financial performance today and rapid exploitation of growth opportunities for significant business tomorrow is good for shareholders. Earnings per stock unit have increased 21%, and the proposed net dividend is increased by 12% to a record 7.2p.

Since September 1981, the company's shareprice has increased sixfold, and its market capitalisation tenfold.

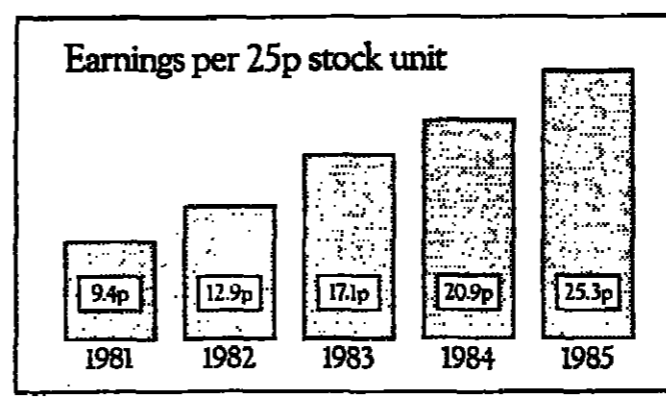
In short, Guinness PLC is a dynamic consumer products and services company, set for exciting future growth.

I look forward to being able to report next year with even better figures."

*Ernest W. Saunders*  
ERNEST W. SAUNDERS Chief Executive

## BUILDING MOMENTUM FOR GROWTH

Bell's, with only a 5 weeks showing in the past year, contributed £1.9m profit. In Retailing, where we now have



## GUINNESS PLC

GUINNESS, HARP KILBER, BELL'S, MARTIN'S, R.S. McCOLL, R.G. DRUMMOND, 7-ELEVEN, HEDDARD, CHAMPNEYS, GLENEAGLES, CRANKS, NATURE'S BEST.

Guinness is good for shareholders



# In 1982, a Midlands bakery found that 40% of their energy costs were blown away

You'll  
At Fre  
through  
\$1,000  
As INI  
Agency O  
waste he  
The by  
to bake  
still heat  
rally, m. I  
At the s  
tribution s  
Fresha  
ngs are J  
In other  
ears, it cou  
Of co  
But s  
almost  
Your con  
DE  
We can  
demonstr  
Call us on  
coupe  
Name  
Address



You need a lot of heat to bake bread. And heat rises.

At Fresha Bakeries Ltd. in Leicester most of the heat was rising through the chimney and wafting down the street. Taking £128,000 with it every year.

As part of a joint demonstration project with the Energy Efficiency Office, the management devised a scheme to take the waste heat and recycle it throughout the bakery.

The system was so successful that there was enough heat not only to bake the bread but also to heat the bakery. And there was still heating left over to warm the van yard in winter, which naturally, made for happier drivers as well as fresher bread.

At the same time, they replaced their centralized boiler and steam distribution system and switched to cold water for washing delivery trays.

Fresha Bakeries is not a huge company. But still their energy savings are around £40,000 a year on an initial outlay of £92,000.

In other words, the scheme not only paid for itself in little over 2 years, it could save the bakery at least £40,000 every year from now on.

Of course, not all of us are in the business of making bread rise.

**y** But stopping energy costs rising is everyone's business, and almost everyone can make savings.

Your company is probably losing money even as you read this, and you can put a stop to it by calling The Energy Efficiency Office.

**being**

We can tell you about ways to save money, and how to get a grant for a demonstration project like the one we gave to Fresha Bakeries.


Call us on the Monergy Hotline on 0800 234 800 or send in the coupon for a free Monergy Information Pack.

**y** To: Monergy Pack, PO Box 3, Diss, Norfolk, IP22 3HH.

Name \_\_\_\_\_ Position \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_





UK NEWS

EuroRoute plan for compromise on Channel link

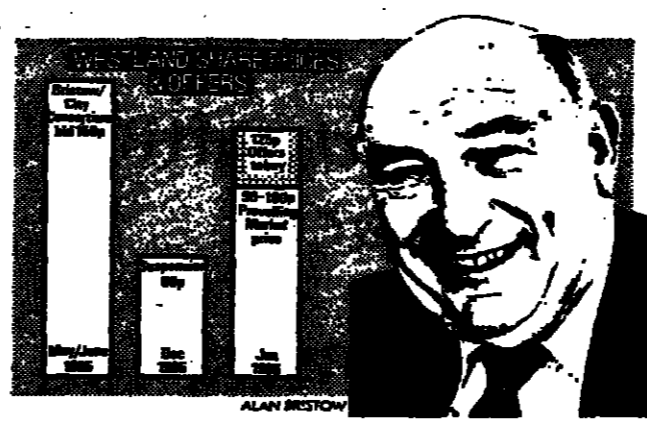
BY ANDREW FISHER, DAVID MARSH AND DAVID THOMAS
THE EUROROUTE consortium, a contender to build a fixed link across the English Channel, has proposed a compromise tie-up with the rival Channel Tunnel Group (CTG) in an attempt to clear the way to a final Anglo-French decision.

Number in work reaches 23.7m

BY George Graham
MORE THAN 31,000 jobs were created in the third quarter of 1985, boosting the number of people in work in the UK to the highest level since June 1981.

Lionel Barber examines the hectic City trading over the helicopter group Battle rages for Westland shares

THE HECTIC trading in the shares of Westland, the British helicopter maker for which there are two rival rescue plans, has opened a new front in the political battle over the future of the company.



ALAN BRISTOW

This week, brokers acting on behalf of buyers sympathetic to the Sikorsky/Fiat rescue or the rival European aerospace consortium offer have been trying to garner enough shares to block or push through the US/Italian plan. That is due to be voted on at tomorrow's extraordinary general meeting (EGM) of shareholders at the Albert Hall in London.

ers are disturbed about the events this week in the stock market, which they believe are likely to strengthen the case for a tighter regulatory system for the City of London.

The trading in Westland shares has resembled a takeover battle, says a senior fund manager who has so far resisted pressure to sell, "but we should not forget that this is a capital reconstruction plan for a technically insolvent company."

ing offered prices which we are hard-pressed to turn down because of our obligations to our own shareholders."

For the City of London's institutional investors, who traditionally shun publicly, the Westland affair has pushed them unwillingly to centre stage. Even if an institution holds a mere 1 per cent stake in Westland, it knows that it might be enough to swing the vote either way tomorrow.

Union agrees Murdoch distribution deal

BY HELEN HAGUE, LABOUR STAFF
TRANSPORT UNION officials have made a provisional agreement with TNT, the transport group, for nationwide distribution of News International newspapers printed at its new printing plant at Wapping, in east London.

Visit by Star Wars chief signal involvement by industry

BY PETER MARSH
LT GENERAL James Abrahamson, the head of the US Strategic Defence Initiative Organisation, is due next month to brief UK industrialists on the classified aspects of Star Wars technology.

Teachers' union quits pay talks

BY David Brindle
NATIONAL Union of Teachers (NUT) leaders last night pulled out of talks at Acas, the Government-backed conciliation service, aimed at settling the 11-month-old pay dispute in England and Wales.

Jaguar keeps up export momentum

JAGUAR MAINTAINED its position as one of the UK's leading exporters last year by shipping out to overseas markets a record 29,675 luxury cars worth more than £600m, Kenneth Gooding writes.

MPs call for radical changes in administration of tourism

BY WALTER ELLIS
A RADICAL restructuring of the administration and public financing of tourism in the UK is proposed in a report published yesterday by the House of Commons select committee on trade and industry.

Horse racing industry seeks satellite deal

BY Raymond Snoddy
BRITAIN'S horse racing industry is planning its own live daily satellite television coverage of racing for bookmakers' shops all over the UK.

Morgan Grenfell leads in takeover activity

BY MARTIN DICKSON
MORGAN GRENFELL was the most active merchant bank in takeovers of UK public companies during 1985, according to a league table published yesterday by Acquisitions Monthly, an independent magazine.

State steel trims around the core

BY IAN RODGER
WHEN THE Thatcher Government made known in 1979 that its ambitious privatisation plans would also include the beleaguered steel industry, most people laughed.

System 'could create 1m jobs'

BY IAN HAMILTON FAZEY
MORE THAN 1m new jobs would be created if the Government cut bureaucracy and simplified the official administrative tasks that beset small businesses, according to research published yesterday by the Forum of Private Business.

Small-business lobby group seeks less bureaucracy

IF there were less bureaucracy, "But we have been pessimistic and estimated that only one third of these would materialise in the first year," Mr Mendham said.

State steel trims around the core

The Government yesterday rejected the recommendation of the Scottish Affairs Select Committee that the Gartcosh steel mill in Scotland remain open for three years.

State steel trims around the core

It would be wrong to single out this factor as the sole cause, but Sheffield Forgemasters, as the venture was called, has never managed to get on its feet. It has suffered losses of more than £40m since its formation in late 1982 and has twice had to go back to BSC for financial help.



UK NEWS—PARLIAMENT and POLITICS

Tarzan the showman puts on a star performance

MICHAEL HESELTINE has always had a highly developed sense of the dramatic. He has given us such colourful productions as the mace-wielding incident in the House and his midnight descent—dressed in a black jacket—to conduct operations against anti-nuclear demonstrators at Molesey.



Trade and Industry Secretary, found himself accused alongside his boss.

Earlier, in a radio programme, it had been rather unfairly suggested that he had a shifty look because he had discarded spectacles for contact lenses.

Then there was the Cabinet committee meeting of December 13, which he says was cancelled and which Mrs Thatcher maintained was never definitely arranged.

Then there had been the occasion when the Foreign Office had instructed the British Ambassador in Rome to ask the Italian Government to send no more messages in support of the European consortium.

Mr Brittan listened to these allegations impassively, but when Jim Callaghan, the former Labour Prime Minister, started to goad him, he could take no more.

John Hunt

Heseltine contradicts Thatcher over Westland affair

IN A dramatic confrontation with Mrs Margaret Thatcher, the Prime Minister, in the Commons last night Mr Michael Heseltine, the former Defence Secretary, directly challenged the accuracy of her account of the arrangement, used to establish a collective decision by the Cabinet on the Westland affair.

He flatly contradicted her denial that a planned meeting of the Cabinet's economic committee on December 13 was cancelled and claimed that steps were taken by the Government to prevent him appearing on a BBC radio programme in which Mr Leon Brittan, the Trade and Industry Secretary, gave his version of the Government's policy.

Mr Brittan, the Leader of the Opposition, who launched the Opposition's attack on the Government's handling of the Westland affair, insisted to Labour cheers that the main issue was the truth.

Mr Brittan, the other central figure in the debate and whose denial of having tried to pressure British Aerospace into agreeing to the European consortium also came under challenge from Mr Heseltine, intervened ahead of his wind-up speech to reassert the accuracy of his account of the events.

He was provoked into doing so by Mr James Callaghan, the former Labour Prime Minister, who maintained that the former speech by Mr Heseltine had cast doubt on the integrity of the Government.

Mr Heseltine, who had been speaking in the Commons last night, said that he had been speaking in the Commons last night, said that he had been speaking in the Commons last night.



Mr Neil Kinnock: Truth is main issue. Mrs Margaret Thatcher: Further meeting not necessary. Mr Michael Heseltine: Collective judgement had been frustrated

a doubt which would only be removed by a full inquiry. Mr Brittan told Mr Callaghan that his recollection of the meeting had been confirmed by three officials "who worked for your Government and whose integrity was not questioned there, and by Mr Geoffrey Pattie, the Information Technology Minister.

Mr Brittan shouted across the chamber: "I at no stage asked British Aerospace to withdraw." Mrs Thatcher, whose speech received only an occasional doubtful cheer from the Tory backbenches, rested her rebuttal of Mr Heseltine's allegations about the cancelled Cabinet economic committee meeting on a recital of the ministerial meetings earlier in December.

She claimed that it became clear at a meeting held on December 6 that a majority of those present were ready to reject a recommendation by the National Armaments Directors of Britain, France, West Germany and Italy favouring a European rescue package for Westland, thus leaving the company free to reach its own decision.

But because a minority of ministers, including Mr Heseltine, felt very strongly about the matter, she agreed that a further discussion should take place in the Cabinet's economic committee, for which a full paper should be prepared.

This meeting, the Prime Minister told the House, took place on December 9 and a clear line of policy had been laid down which made it unnecessary to hold a further meeting. It had been recognised in the course of discussions that the timetable Westland had to meet would allow for another meeting of ministers before 4 o'clock on December 15, if unforeseen developments required one.

Mrs Thatcher insisted "but no decision to hold such a meeting was taken or recorded." She maintained that the Cabinet's collective conclusion was clear. Therefore no meeting was agreed for December 15 and there was no meeting to cancel.

Dealing with the Cabinet meeting last Thursday when Mr Heseltine announced his resignation, she emphasised that he alone had not been prepared to accept the collective decision that all ministers' statements concerning Westland should be cleared through the Cabinet Office to ensure that all answers were consistent with Government policy.

The Prime Minister said there had been innumerable discussions of Westland's affairs between departments and with the company over 15 months, so that the allegation that the Government had not discussed the issues in sufficient depth or in a timely way was "absurd."

Mr Heseltine contended that his view that the European option should be kept alive until at least December 15, when it would have again come before the Cabinet's economic committee had had a clear majority when considered at earlier ministerial meetings.

The meeting on December 9, he said, had ended with a joint statement that the ministers would meet again on December 13 at 3 pm when the Stock Exchange closed.

The Prime Minister had shaken her head vigorously in disagreement at this point. But Mr Heseltine maintained that officials of the Cabinet Office had recorded the decision to hold a further meeting on December 13.

It was a devastating surprise when they (the Cabinet Office) subsequently cancelled the meeting.

Mr Heseltine insisted: "Collective judgement had been frustrated." In these circumstances he knew where his duty lay and, while he regretted having resigned, he had no doubt that he had been right to do so.

He made it clear he was prepared to have his version examined by a Commons select committee.

Mr Kinnock said the whole country knew that the Prime Minister was a domineering leader. What has been less obvious was the effect of such a domineering attitude on the system of Cabinet government.

Bae-Downing Street correspondence and DTI minutes in full

LETTER FROM SIR AUSTIN PEARCE, BAe CHAIRMAN, TO MRS MARGARET THATCHER

DEAR PRIME MINISTER, You should be aware that, while I am sure that Mr Patten (Information Technology Minister) to discuss Airbus business on Wednesday the 8th January, Sir Raymond Lygo, my chief executive, had an extremely interesting meeting with Mr Leon Brittan in the Department of Trade and Industry at 1700 hrs.

The meeting was at the Secretary of State's request, in the presence of Mr Geoffrey Pattie, Mr Macdonald (DTI Deputy Secretary) and Mr Mitchell (Mr John Mitchell, DTI Under-Secretary) all of my department, as well as my private secretary returned directly to a special board meeting of British Aerospace which was in progress and made a full report of his conversation to the board. He also wrote down all the salient points that had been made to him. His report stated that the following points were specifically covered by the Secretary of State:

1—Expressed a view that as the DTI were our sponsoring department we should have consulted with his Department before we entered the consortium.

2—To enquire whether we had fully considered the effect our actions might have on our American business and in particular on the A320 (aircraft project) and his concern about the effect on Anglo-American business that our actions might be having.

3—His concern at the consortium leadership role we appeared to be assuming and that the decision should be left to the shareholders alone.

4—That the agreement of the National Armaments Directors had never been endorsed by Government and that he could not do this by showing Sir Raymond the minutes of the meetings which discussed it.

5—That what we were doing was not in the national interest.

6—That we should withdraw a full transcript of Sir Raymond's account of the proceedings is available if you

in the Secretary of State's view, particularly damaging and potentially could fuel protectionist sentiment in the US.

7—That the Ministry of Defence was British Aerospace's largest customer and that the partners involved in the consortium were the same partners in our most important programmes, Airbus, the European Fighter programme, the Trident (anti-ballistic missile) programme and Tornado.

In view of the serious nature of the complaints that had been made against the attitude of British Aerospace, it was considered inappropriate that our British partner GEC should be informed of what had taken place.

Also, since one of the conditions precedent set before we entered the consortium was being questioned, i.e. the agreement of the National Armaments Directors, that the Department of Defence, through the Permanent Under-Secretary should be approached to learn whether what we had been given to understand was correct.

8—That British Aerospace and the consortium were very content to let the shareholders decide, so long as they were given the facts.

9—That the Secretary of State, Sir Raymond made the following points:

1—That the board had considered fully the implications of the effects on our American trade; that we had actually suggested that some of the words originally used in the National Armaments Directors' agreement be amended to avoid implying that the action was protectionist.

2—That Sir Raymond had gone out of his way at the consortium's Press conference to make a lengthy statement to one of the American correspondents there to the effect that he would not be privatised to the extent of portraying the European consortium as being anti-American because it was not in the interests of the US to have a weak defence industry in Europe; quite the reverse, and to be pro-European did not mean that one had to be anti-American. In fact, the reverse was true.

3—That in his own case he was married to an American, had spent many happy years in the US and served in the US Navy which he suspects was a greater involvement in the US than anybody present at that meeting, and the last person that could be accused of being anti-American, in his view, was himself.

4—That he found the reference to the national interest confusing, since we had been told by another great Department of State that what British Aerospace were doing was in the national interest.

5—That our European partners had a natural expectation that British Aerospace, the most experienced, should lead their consortium in the attempt to persuade the shareholders that their proposals were genuine and better.

6—That discussions with Westland that evening would be on a true commercial basis. An attempt would be made by both sides to lower the temperature at this meeting. Indeed Sir Brian Hayes (Permanent Secretary DTI) had himself congratulated Sir Raymond on his success in lowering the temperature at previous meetings.

At the discussion later that evening, British Aerospace would probably make a further offer in the European offer. In order to resolve a shortage of engineering capability at British Aerospace some 100 engineers' work per annum could be made available to Westland. Such an offer from British Aerospace would only be made if Westland had the capability to undertake the high-quality work involved.

Sir Raymond returned to the question of anti-American sentiment. British Aerospace Inc (their US subsidiary) had expressed great concern about their US business being harmed.

The Secretary of State commented that he was ready to act immediately in defending British Aerospace's interest. He repeated, however, that in his view, it was much more effective if the current round of discussions was not interpreted as being anti-American in sentiment.

Sir Raymond commented that the Ministry of Defence was British Aerospace's biggest single customer. He also emphasised that British Aerospace was considerably committed to collaborative ventures with MBB (West German aerospace company) and Aerospatiale (French aerospace company).

Someone had needed to take the lead in establishing the European consortium and British Aerospace would have been regarded as letting down their European collaborators if they had not done so.

The Secretary of State commented that customers could not dictate the extent of the enthusiasm with which any particular case might be put. British Aerospace had relations with this department also. Sir Raymond took this point.

The Secretary of State said that it was not in the national interest that the present uncertainty involving Westland should drag on. Sir Raymond said that he had heard the same message elsewhere but questioned what was the national interest. Shareholders need to have full information on which to base their decision.

10—That the Secretary of State, Sir Raymond made the following points:

11—That the Secretary of State, Sir Raymond made the following points:

12—That the Secretary of State, Sir Raymond made the following points:

13—That the Secretary of State, Sir Raymond made the following points:

14—That the Secretary of State, Sir Raymond made the following points:

15—That the Secretary of State, Sir Raymond made the following points:

16—That the Secretary of State, Sir Raymond made the following points:

17—That the Secretary of State, Sir Raymond made the following points:

18—That the Secretary of State, Sir Raymond made the following points:

19—That the Secretary of State, Sir Raymond made the following points:

20—That the Secretary of State, Sir Raymond made the following points:

21—That the Secretary of State, Sir Raymond made the following points:

22—That the Secretary of State, Sir Raymond made the following points:

23—That the Secretary of State, Sir Raymond made the following points:

24—That the Secretary of State, Sir Raymond made the following points:

25—That the Secretary of State, Sir Raymond made the following points:

26—That the Secretary of State, Sir Raymond made the following points:

27—That the Secretary of State, Sir Raymond made the following points:

politics and became systematic connivance against Cabinet colleagues.

When ministers would not concede to domination, when bullying would not make them back down, they had to be undermined, isolated and bypassed. Sooner or later, someone was bound to resist, even to the point of resignation.

Mr Kinnock said Mr Heseltine had made serious allegations that, after his efforts to put together a European alternative to rescue Westland had been approved by the Cabinet, he encountered strong opposition from the Prime Minister.

Mr Kinnock said the crucial question was why the decision of the European National Armaments Directors obtained by Mr Heseltine in favour of European intervention was set aside. He asked why the policy of non-intervention was adopted, and how it came to be approved without the benefit of a collective decision by the Cabinet.

"How does the practice in the privacy of government match with the public declarations in this House and to the country?" he demanded.

Mr Kinnock said Mr Heseltine's claim that there was an even-handed policy for public display and a private policy of favouritism was a grave allegation. It would be supreme folly for the allegation to be made if it could not be substantiated, because it would be so easy to disprove if it was false.

Mr Kinnock said there was a conflict between the descriptions of the various Cabinet and Cabinet committee meetings on Westland given by Mr Heseltine and Mr Brittan. The conflict could be resolved only by calling witnesses before a committee of the Commons.

The committee would inevitably consider why the Government's policy was changed, and why the new policy was so rigorously followed by the Prime Minister, even to the point of inspiring allegations that she was ill-tempered in defeat; that a meeting was cancelled; and even that a Cabinet minute did not carry an account insisted upon by a member of the Cabinet.

The meeting took place immediately following a discussion Sir Raymond was having with Mr Patten on Airbus Industry's proposals for a new programme. The connection is worrying to say the least.

Whatever the words used were meant to convey, the message was perfectly clear. I would therefore ask you to take this letter into account in any further exchanges which might take place, or in any further statements that might be made by the Government, in order to avoid further embarrassment.

Please be assured that we have absolutely no desire to embarrass you and much regret that you have become involved in what should have been a purely commercial discussion and decision-making process. Nevertheless, I think it is important that you should understand the position of British Aerospace.

This letter is addressed to you and is not being copied to any other party.

Yours sincerely, Austin

Sir Austin Pearce: differing recollections

they had not done so. Sir Raymond was fully aware of the dangers and hoped that he was capable of managing this delicate balancing act.

The Secretary of State commented that customers could not dictate the extent of the enthusiasm with which any particular case might be put. British Aerospace had relations with this department also. Sir Raymond took this point.

The Secretary of State said that it was not in the national interest that the present uncertainty involving Westland should drag on. Sir Raymond said that he had heard the same message elsewhere but questioned what was the national interest. Shareholders need to have full information on which to base their decision.

Inclusion of Lloyd's in City Bill ruled out

By Kevin Brown

THE INCLUSION of the Lloyd's insurance market in Financial Services Bill was firmly ruled out yesterday by Mr Leon Brittan, the Trade and Industry Secretary, even if such a course were to be recommended by the committee of inquiry into Lloyd's headed by Sir Patrick Neill, the vice-chancellor of Oxford University.

Mr Brittan faced strong Opposition pressure at Question Time for Lloyd's to be bought within the scope of the bill, which sets up a new statutory framework for the operation of City institutions.

He was asked by Mr Derek Fatchett (Lib, Leeds Central) to make sure that the Lloyd's inquiry reported before the bill completed its passage through the Commons, so that the committee's recommendations could be acted upon immediately.

Mr Brittan said the timing of the committee's report was a matter for Sir Patrick. But he said the bill would not be a proper vehicle for statutory intervention in Lloyd's "even if Sir Patrick came to the conclusion that it was appropriate."

There were also claims from both Labour and Liberal MPs that Mr Michael Howard, the Minister for the City, faced a conflict between the bill because of his membership of Lloyd's.

Mr Bryan Gould, Labour's trade spokesman, asked whether the Government had considered the guidelines on ministerial conflicts of interest drawn up by Sir Winston Churchill and approved by every subsequent Prime Minister.

This directly stated that where there was a conflict between a minister's private interests and his public responsibility, he must divest himself of his private interests.

Mr Gould said Mr Howard should resign from Lloyd's or step aside to allow another minister to pilot the bill through the Commons. This was a matter which the CBI and others in the City would be concerned about.

Mr Fatchett (Lib, Yeovil), said Mr Howard's personal reputation was beyond question, but his status as a member of Lloyd's was bound to undermine the bill and the probity of the Government itself.

Mr Brittan said he was perfectly satisfied that Mr Howard would be able to discharge his responsibilities with propriety and honour.

There were angry protests from some Labour MPs, including Mr David Campbell Savours (Workington) who shouted: "It is an abuse of our procedures."

Mr Howard did not respond to the Opposition allegations, which saw heated scenes late on Tuesday night when he attempted to wind up for the Government in the second reading debate on the bill.

Poll boost for power sharing

By Our Belfast Correspondent

MORE THAN 68 per cent of people in Northern Ireland agree in principle with power sharing between the political parties, according to an opinion poll conducted in the wake of the Anglo-Irish agreement.

This was the only area of common ground between the unionist and nationalist communities in a survey which otherwise underlined wide divisions. The concept of power sharing was supported by 61 per cent of Protestants and 78.6 per cent of Catholics.

When asked to choose from a range of options for the future of Northern Ireland, 24.1 per cent backed devolution with power sharing, 23 per cent complete integration with Britain, 11.4 per cent devolution with majority rule, 9.6 per cent continued direct rule, 8.6 per cent a united Ireland, 7.6 per cent joint authority between London and Dublin and 5.6 per cent independence.



PUBLIC SPENDING WHITE PAPER

Reduced inflation and sustained economic growth sought

THE GOVERNMENT yesterday published its Public Expenditure White Paper setting out expenditure plans for the next three years. The main points are outlined here.

The four largest departmental shares—DHSS (social security), Defence, DHSS (health and personal social services), and Education and Science—account for two-thirds of total spending plans.

Planning departments

The Government's objectives for defence are to ensure the security of the nation and maintain our freedom. Some £18.5bn has been provided in 1985-86, rising to £19bn in 1986-87.

The Government's objectives for defence are to ensure the security of the nation and maintain our freedom. Some £18.5bn has been provided in 1985-86, rising to £19bn in 1986-87.

Table: PUBLIC SPENDING IN REAL TERMS BY DEPARTMENT\* £bn (base year 1984-85)

\* Cash figures adjusted for general inflation. † Including Overseas Development Administration. ‡ Including Intervention Board for Agricultural Produce and Forestry Commission.

Table: PUBLIC EXPENDITURE PLANS AND OUTURNS AND ESTIMATED OUTURNS £bn

Table: PUBLIC EXPENDITURE PLANS AND OUTURNS AND ESTIMATED OUTURNS £bn (continued)

† Converted into cash as explained on page 103 of Cmnd 9494 Vol 2. ‡ Including changes announced in the March Budget Statement.

initiatives: more than 720,000 in the six years to 1985. 75,000 homes have been bought under the low cost home ownership schemes.

ENERGY The aim of economic exploitation of the nation's energy resources is pursued through the department's spending on research and development, and schemes to promote energy efficiency.

EMPLOYMENT The main objectives are to promote enterprise and job creation, to assist unemployed people, to promote training and to help the labour market work more efficiently.

AGRICULTURE Spending on agriculture is intended to foster an efficient and competitive agricultural industry, taking account of the interests of producers, processors, traders and consumers.

TRANSPORT The objectives are to improve and maintain the road system, airports and public sector ports; to promote safety and environmental protection; and to provide necessary finance for public transport operations.

DOE—HOUSING A major objective is to enable more people to own their own homes. A major aim is achieving this ambition—63 per cent of dwelling in England are now owner occupied.

EDUCATION AND SCIENCE The aim is to raise standards of ability throughout the education system. Total spending on £14.3bn is planned in 1986-87, most of it incurred by local authorities.

Three-quarters of school leavers are achieving five or more graded CSE O-level or CSE results. In the higher education sector, the number of students obtaining first degrees is forecast to be more than 100,000 in 1988-89, compared with 85,900 in 1979-80.

DESS—HEALTH AND PERSONAL SOCIAL SERVICES The objective for the National Health Service is to make the best use of resources to help people stay healthy, and to give them effective and appropriate treatment on hospital and community health services.

HOME OFFICE AND LORD CHANCELLOR'S DEPARTMENT The main aims of spending on the criminal justice system are to prevent and detect crime, to reduce the gully, and to effect the sentences or orders imposed on them.

DESS—SOCIAL SECURITY The resources available to the Family Practitioner Services have also increased. The number of family doctors rose by 12.4 per cent between 1978 and 1984 while their average list size fell.

LOCAL AUTHORITIES Spending by local authorities accounts for about a quarter of public expenditure. Education spending is more than 40 per cent of the local authority total.

DEFENCE The Government's objectives for defence are to ensure the security of the nation and maintain our freedom. Some £18.5bn has been provided in 1985-86, rising to £19bn in 1986-87.

DEFENCE The Government's objectives for defence are to ensure the security of the nation and maintain our freedom. Some £18.5bn has been provided in 1985-86, rising to £19bn in 1986-87.

Supplementary benefits will be replaced by a new simpler income support scheme with special help provided through a separate social fund.

THE RESERVE The reserve provides a margin to meet contingencies not covered elsewhere in the plans, including estimating changes.

PRIVATISATION The privatisation programme is growing. The aim is to promote wider share ownership and to increase efficiency.

NATIONALISED INDUSTRIES The planning total includes nationalised industries' external finance—their borrowing and leasing plus grants from the Government.

CIVIL SERVICE RUNNING COSTS The main element of running costs is the pay bill but they also cover accommodation, personnel overheads and office services.

CIVIL SERVICE MANPOWER The number of civil servants has fallen by 138,000 (13.5 per cent) since 1979, from 732,000 in April 1979 to 594,000 in October 1985.

ARMED FORCES For the armed forces manpower (including locally engaged personnel) is expected to fall from 336,300 in April 1985 to 331,600 in April 1987.

NATIONAL HEALTH SERVICE Between 1979 and 1983 the number of NHS employees in Great Britain rose by 66,000. But there was a fall of 11,000 between 1983 and 1984.

LOCAL AUTHORITIES Manpower accounts for about three-quarters of local authorities' relevant current expenditure. Local authorities reduced their staff by about 100,000 or 4 per cent between June 1979 and June 1982.

CAPITAL SPENDING Since the last White Paper, capital spending plans for housing renovation and roads have been increased by some £200m a year.

OTHER PUBLIC CORPORATIONS As with nationalised industries for the majority of their public corporations the planning total includes their external finance. Examples are the urban development corporations and the Northern Ireland Electricity Service.

Spending authorities Central government is responsible for spending about three-quarters of the planning total. Local authorities spend most of the rest.

Economic categories In 1986-87 some £50bn (35 per cent) of public spending will take the form of cash payments to the personal sector—mainly pensions and other social security benefits.

Capital spending Since the last White Paper, capital spending plans for housing renovation and roads have been increased by some £200m a year.

Local authorities Manpower accounts for about three-quarters of local authorities' relevant current expenditure. Local authorities reduced their staff by about 100,000 or 4 per cent between June 1979 and June 1982.

Supplementary benefits will be replaced by a new simpler income support scheme with special help provided through a separate social fund.

THE RESERVE The reserve provides a margin to meet contingencies not covered elsewhere in the plans, including estimating changes.

PRIVATISATION The privatisation programme is growing. The aim is to promote wider share ownership and to increase efficiency.

NATIONALISED INDUSTRIES The planning total includes nationalised industries' external finance—their borrowing and leasing plus grants from the Government.

CIVIL SERVICE RUNNING COSTS The main element of running costs is the pay bill but they also cover accommodation, personnel overheads and office services.

CIVIL SERVICE MANPOWER The number of civil servants has fallen by 138,000 (13.5 per cent) since 1979, from 732,000 in April 1979 to 594,000 in October 1985.

ARMED FORCES For the armed forces manpower (including locally engaged personnel) is expected to fall from 336,300 in April 1985 to 331,600 in April 1987.

NATIONAL HEALTH SERVICE Between 1979 and 1983 the number of NHS employees in Great Britain rose by 66,000. But there was a fall of 11,000 between 1983 and 1984.

LOCAL AUTHORITIES Manpower accounts for about three-quarters of local authorities' relevant current expenditure. Local authorities reduced their staff by about 100,000 or 4 per cent between June 1979 and June 1982.

CAPITAL SPENDING Since the last White Paper, capital spending plans for housing renovation and roads have been increased by some £200m a year.

OTHER PUBLIC CORPORATIONS As with nationalised industries for the majority of their public corporations the planning total includes their external finance. Examples are the urban development corporations and the Northern Ireland Electricity Service.

Spending authorities Central government is responsible for spending about three-quarters of the planning total. Local authorities spend most of the rest.

Economic categories In 1986-87 some £50bn (35 per cent) of public spending will take the form of cash payments to the personal sector—mainly pensions and other social security benefits.

Capital spending Since the last White Paper, capital spending plans for housing renovation and roads have been increased by some £200m a year.

Local authorities Manpower accounts for about three-quarters of local authorities' relevant current expenditure. Local authorities reduced their staff by about 100,000 or 4 per cent between June 1979 and June 1982.

Supplementary benefits will be replaced by a new simpler income support scheme with special help provided through a separate social fund.

THE RESERVE The reserve provides a margin to meet contingencies not covered elsewhere in the plans, including estimating changes.

PRIVATISATION The privatisation programme is growing. The aim is to promote wider share ownership and to increase efficiency.

NATIONALISED INDUSTRIES The planning total includes nationalised industries' external finance—their borrowing and leasing plus grants from the Government.

CIVIL SERVICE RUNNING COSTS The main element of running costs is the pay bill but they also cover accommodation, personnel overheads and office services.

CIVIL SERVICE MANPOWER The number of civil servants has fallen by 138,000 (13.5 per cent) since 1979, from 732,000 in April 1979 to 594,000 in October 1985.

ARMED FORCES For the armed forces manpower (including locally engaged personnel) is expected to fall from 336,300 in April 1985 to 331,600 in April 1987.

NATIONAL HEALTH SERVICE Between 1979 and 1983 the number of NHS employees in Great Britain rose by 66,000. But there was a fall of 11,000 between 1983 and 1984.

LOCAL AUTHORITIES Manpower accounts for about three-quarters of local authorities' relevant current expenditure. Local authorities reduced their staff by about 100,000 or 4 per cent between June 1979 and June 1982.

CAPITAL SPENDING Since the last White Paper, capital spending plans for housing renovation and roads have been increased by some £200m a year.

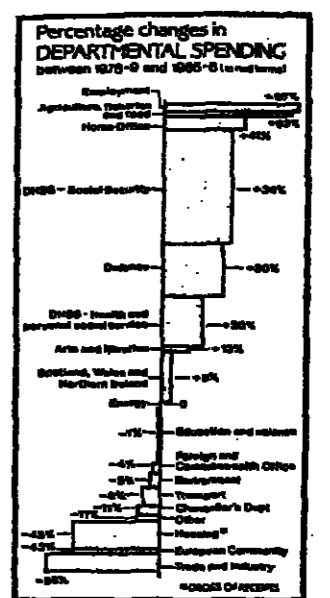
OTHER PUBLIC CORPORATIONS As with nationalised industries for the majority of their public corporations the planning total includes their external finance. Examples are the urban development corporations and the Northern Ireland Electricity Service.

Spending authorities Central government is responsible for spending about three-quarters of the planning total. Local authorities spend most of the rest.

Economic categories In 1986-87 some £50bn (35 per cent) of public spending will take the form of cash payments to the personal sector—mainly pensions and other social security benefits.

Capital spending Since the last White Paper, capital spending plans for housing renovation and roads have been increased by some £200m a year.

Local authorities Manpower accounts for about three-quarters of local authorities' relevant current expenditure. Local authorities reduced their staff by about 100,000 or 4 per cent between June 1979 and June 1982.



sector capital spending—including spending by the nationalised industries and capital grants to the private sector—is expected to be some £21bn in each year of the plans.

These figures exclude most repair and maintenance spending and do not therefore measure the total flow of work from the public sector to the construction and capital goods industries.

The new system reflects the Government's determination to exert a downward pressure on administrative costs following the reductions in manpower that have been achieved since 1979.

Total gross running costs provision for 1986-87 is some £13bn, which includes the cost of additional manpower resources. With the exception of the Ministry of Defence, limits on running costs will be set when the 1986-87 Supply Estimates are presented to Parliament.

Within the plans extra priority has been given to staffing to support the Government's policies on employment and revenue collection, to combat drug trafficking and to reduce the queue for driving tests. Provision is also made for the new Crown Prosecution Service.

Improved procedures have been introduced to determine the minimum levels of service and civilian manpower needed to support the defence programme.

Manpower accounts for about three-quarters of local authorities' relevant current expenditure. Local authorities reduced their staff by about 100,000 or 4 per cent between June 1979 and June 1982.

Since the last White Paper, capital spending plans for housing renovation and roads have been increased by some £200m a year.

Local authorities Manpower accounts for about three-quarters of local authorities' relevant current expenditure. Local authorities reduced their staff by about 100,000 or 4 per cent between June 1979 and June 1982.

Capital spending Since the last White Paper, capital spending plans for housing renovation and roads have been increased by some £200m a year.

Local authorities Manpower accounts for about three-quarters of local authorities' relevant current expenditure. Local authorities reduced their staff by about 100,000 or 4 per cent between June 1979 and June 1982.

Capital spending Since the last White Paper, capital spending plans for housing renovation and roads have been increased by some £200m a year.

The



PUBLIC SPENDING WHITE PAPER

'The Government's best hope is to hold the line'

SIX YEARS into a Government is not the time to start making bold declarations about how you are going to slash public spending, particularly if you have already failed. The best you can hope for is to hold the line.

That comment by a senior Treasury official after last November's Autumn Statement is vividly illustrated by the colourful charts in yesterday's Public Spending White Paper covering spending plans for the next three financial years.

They show the familiar picture of steady rises in spending up to the present year, with targets overshooting the Government's hopes are then summarised in the flat lines running from the present to 1988-89.

The spending totals, £139.1bn in 1986-87, £143.9bn in 1987-88 and £148.7bn in 1988-89, are unchanged from the Autumn Statement. They assume that inflation, as measured by the GDP deflator, will average 4.5 per cent, 3.5 per cent and 3 per cent respectively in the years 1986-87 to 1988-89.

SOCIAL SERVICES

Three-year squeeze on the way

ALL OF Britain's social services face a squeeze over the next three years, with only the National Health Service making marginal improvements. Personal social services run by local authorities, social security payments and child benefit are set to fall in real value over the year to 1988—although political judgments may cause revision to some of these plans before then.

The White Paper commentary says total spending on health and personal social services in 1986-87 should be 7.5 per cent higher than in the plans for 1985-86. But in face 1985-86 expenditure exceeded the original plans so the actual increase is 6 per cent compared with an estimate of 4.5 per cent for inflation.

The National Health Service total expenditure is shown rising from £14.15bn in the current year to £16.48bn in 1987-88, representing increases of 6.6 per cent in 1986-87, 4.8 per cent in 1987-88 and 4.2 per cent in 1988-89. These means real rises of 2 per cent, 1.3 per cent and 1.2 per cent respectively.

But the picture for the NHS is gloomier than those modest real rises suggest. Demographic changes, notably the increase in the elderly or "grey" population means that just to stand still the NHS needs an extra 1 per cent over and above inflation in 1986-87, 0.9 per cent the following year and 0.8 per cent in 1988-89, cutting the real growth in the

three years to 1 per cent in the next financial year and just 0.4 per cent in the two years after that. That latter cut follows the NHS also faces substantial costs in the medical equipment field which can further erode the apparent real growth and it must meet unprejudice items such as pay rises for doctors and nurses from within its budget. No pay target has been announced this year but as previous public sector settlements have tended to be well in excess of the Government's very low assumptions, it is likely that future pay awards will put extra pressure on the NHS budgets.

On the other hand, NHS efficiency programmes are starting to deliver substantial savings and with the new general managers taking up their posts with a requirement to manage budgets to improve value for money these savings should be greater than the £150m achieved in the current year. All these savings are retained by the health authorities for use in service provision. Personal social services, on the other hand, face a severe setback. These services are largely provided by local authorities and include items like home help for the sick and disabled and meals on wheels in addition to the burden faced by councils now they are responsible for community care of people discharged from hospitals for the mentally sick. These services are all subject

to the same demographic pressures as the NHS but the plans show a small real cut of 0.2 per cent in 1986-87 followed by real cuts of around 3 per cent in the next two years. Once again, the prices people have to pay for dental care, NHS spectacles and prescriptions seem set to rise by much more than the inflation rate. The White Paper shows receipts from these items expected to rise by 5.5 per cent in 1986-87, 3.3 per cent in 1987-88 and 4.9 per cent in 1988-89. Although changes in the types and numbers of people exempted from charges can vary, these figures indicate hefty real term price rises each year. Estimates of social security expenditure have been rounded up to be substantially too low with the total for the current financial year now being £1bn higher than estimated in last year's White Paper, mainly because unemployment failed to decline and benefits were uprated by more than the Treasury hoped. Similarly, an extra £1bn has been added to 1986-87 plans with the acceptance that the current levels of unemployment are unlikely to diminish much if at all.

Even so, the figures represent a real cut of 0.5 per cent in the overall total of benefits in 1986-87 and that reduced level is to be maintained in 1987-88 and 1988-89. Within these very tight figures are assumptions about the reform of social security which will be implemented in 1988-89 but whose impact is difficult to gauge more accurately to low income families with children will govern decisions before then, principally militating against universal benefits such as child benefit. The figures confirm that while the Treasury has not succeeded in having child benefit frozen at £7 a week for each child for the rest of the decade, the argument is going strongly its way in Cabinet. For both 1986-87 and 1987-88 the figures show plans to raise child benefit by much below the assumed rate of inflation. For 1986-87 it is planned to rise by just 1 per cent to £7.07. As a number of larger cuts from the public sector, improved performance and efficiency in others and demands for ever larger contributions to the Government's coffers from the profitable industries the target for the year will still be £7.55 or £7.60. Child benefit is a universal benefit paid to all children and the child population is projected to fall from 12.2m now to 11.9m in 1987-88. The cost of child benefit is planned to rise from £4.4bn a year now to £4.5bn in 1987-88, around £200m less than the cost would be if the current payment of £7 were maintained in real terms.

DEFENCE

Funds for armed forces to be reduced

IF CONFIRMATION were needed that Mr George Younger is taking over the Defence Ministry at a very difficult time, yesterday's White Paper has provided it. Defence spending, after an increase in real terms of at least 20 per cent since the Tories took office in 1979 is to decline. Figures published yesterday show this decrease will be about 7 per cent in real terms between the current financial year and 1988-89.

Mr Michael Heseltine, Mr Younger's predecessor, who resigned so dramatically over other issues last week, had set his face firmly against a defence review and Mr Younger seems certain to do the same. The maximum of the 23 years left to him before the next election. However, he will face a number of distinctly unpleasant choices as he tries to match the demands of Britain's armed services and their widespread obligations.

Defence Ministry officials now busy briefing the new Defence Secretary, rightly point out that defence has done very well over the last seven years and that, despite the decline ahead, very large sums are still being spent. Figures for the next three years were first published in November. The budgets, which include diminishing sums for the defence of the Falklands, are £13.5bn for 1986-87, £13.3bn for 1987-88 and £13.0bn for 1988-89. Falklands spending declines from a peak of £684m in 1984-85 to £442m, £292m and £192m in the three years in question.

According to the White Paper, contracts placed by the Ministry of Defence through direct competition increased from 14 per cent of total contracts in 1979-83 to 27 per cent in 1984-85. Adding other contracts which were "placed by reference to market forces," the total of contracts placed competitively increased from 30 per cent to 46 per cent over those years. MoD officials hope last year's figure will prove to be nearer 60 per cent. However, Mr Younger will be faced with the same dilemma as Mr Heseltine: if there is no defence review, there will have to be cuts or delays in the start

calculating the real cost of Trident. Mr Younger has been in office for less than a week, but he seems certain to want to continue Mr Heseltine's policy of trying to get better value for money out of the defence procurement budget, which is nearly 50 per cent of the total defence budget, by continuing his predecessor's tougher policies towards defence contractors.

None of this will be easy, as key projects like Trident, with its high dollar costs, come to a peak at the same time as new funds must be found for the European Fighter aircraft. In the shorter term, funds have to be found for the Nimrod early warning aircraft, the most controversial project now awaiting Mr Younger's attention. He must decide soon whether to spend upwards of £600m over the next few years, on top of the £1bn already spent, in trying to bring the aircraft up to a standard acceptable to the RAF or abandon the aircraft in favour of buying new early warning aircraft from the US.

or implementation of major defence projects—though it seems certain he will try to avoid outright cancellation of key weapons systems and the introduction of the kind of moratorium on payments to defence contractors applied during the year they will still make net repayments totalling £400m before they go; without this calculation the 1986-87 EFLs would total £329m.

The nationalised industries' capital requirements are expected to remain broadly constant over the three years but the Government hopes that further cost and efficiency improvements will result in more funds being generated internally rather than externally through Government loans and borrowing from the UK and overseas money markets.

CIVIL SERVICE

Pressure on costs Councils kept waiting

A PROVISION of £13.3bn total gross running costs has been made for the Civil Service in 1986-87, compared with an estimated outturn of £12.6bn in the current financial year. This new system of controlling the costs of the Civil Service allows for pressure to be put on administrative costs as well as exercising control through manpower reduction targets.

The White Paper points out that central government running costs have been increasing in recent years faster than the rate of inflation. The new system, which it is intended will gradually replace manpower targets, will highlight running costs in each department and aim to bring them under closer control. Manpower accounts for about 70 per cent of civil service costs, which in total represent about 15 per cent of public expenditure. Departments have been scrutinising their running costs for the past six years but the Government wants a longer run-in period for this control to be working effectively before reviewing overall manpower controls relating to

published targets. The latter will thus remain in effect at least until April 1, 1988. Civil servant numbers have fallen by 126,000 since 1979 to 596,000 in October 1985. Further reductions are planned with a target of 590,000 by April 1988, which is 20 per cent below the 1979 figure. Limits on running costs will be set in the 1986/87 Supply Estimates except for the Ministry of Defence. Defence takes 39 per cent of the 1986/87 running costs provision, by far the largest, followed by Health and Social Security with 18 per cent. The number of health service employees fell between 1983 and 1984 but was still 6 per cent above the 1979 level, hence the need for management initiatives and cost improvements planned by health authorities. Within the manpower target, provision has been made for extra staff to implement government policies on employment and revenue collection, combating drug trafficking and reducing the waiting period for driving tests. Provision is also made for the new Crown Prosecution Service.

These levels will be reconsidered in the public expenditure survey later this year "in the light of local authorities' current spending levels beyond the 1986-87 financial year. Until now, plans have always been produced for a three-year period. The change of policy means the Government will have greater flexibility in deciding current spending levels in future years in negotiations with local authorities. In particular, ministers have not tied themselves to specific figures in what will probably be a general election year. This will make it easier to give a boost to local authority spending if this is thought necessary. The other likely factor in the decision is the Government's frustration at finding that three-year estimates have invariably proved wide of the mark and have become irrelevant so quickly. The White Paper shows planned current expenditure of £22.29bn in England in 1986-87, £3bn in Scotland and £1.37bn in Wales. The same figures are given for the following two

years, with the Government's best hope being to hold the line. The White Paper shows that public spending will fall to 43 per cent in 1986-87, the same level it inherited in 1979. Within the overall totals, however, and assuming that the Government does manage to hold the line, the White Paper shows some substantial shifts in the way the Government intends to spend taxpayers' money. Defence, up to now virtually exempt from attempts to con-

rol spending, finds its budget cut by nearly 7 per cent in real terms over the next three years. Despite the battles fought by Mr Kenneth Baker, the Environment Secretary, the housing budget is reduced by nearly 4 per cent over the three-year period. That latter cut follows a reduction of 59 per cent in real terms since 1978-79. Spending on the Health Service and personnel services is expected to rise by nearly 2 per cent next year and then remain flat in 1987-88 before rising slightly again the following year. At the same time, charges for prescriptions, spectacles and dental care are expected to increase much faster than inflation. In 1986-87 overall receipts from these charges are planned to rise by 5.5 per cent in cash terms, in the following year by 3.3 per cent, and in 1988-89 by 4.9 per cent. The social security budget, which accounts for nearly a

third of all departmental spending, shows a planned fall next year, heightening the squeeze on resources caused by the ageing of the population. Social security claimants can expect a longer wait at benefit offices. The Treasury says that in the interests of economic efficiency the ratio of claimants to staff has increased from 75:1 when the Government first took office to 119:1 this year. It plans a further increase to 130:1 by the end of the planning period. Overall, however, the Government has managed to find it easier to cut capital rather than current outlays. Calls from the Confederation of British Industry for more cash to restore the country's decaying infrastructure have fallen on deaf ears. In real terms, spending on capital projects is expected to fall by about 10 per cent in the three years to 1988-89. The biggest proportional cut in overall expenditure is ex-

pected at the Department of Trade and Industry where cash outlays are projected to fall from £2bn in the current financial year to £1bn by the end of the planning period, largely due to lower subsidies for British Steel. The White Paper also shows a sharp drop in the external financial limits of the nationalised industries as the effects of the coal strike wear off. The strike is estimated to have cost the Government £2bn in 1985-86 and £1bn in the current year. External finance in the 1986-87 is planned at £0.5bn compared with an estimated out-turn of £2.2bn in 1985-86. Further increases are planned, to £2bn in 1987-88 and £2.14bn in 1988-89. Spending on education, which has fallen by 1 per cent in real terms since 1979, is expected to fall by a further 1 per cent over the next three years. Its allocation from the public coffers is projected to be 10 per cent lower in real terms in 1988-89.

Hazel Duffy

Richard Evans

Robin Pauley

Robin Pauley

Employment, which has shown the largest rise in spending over the past six years as the jobless queues have lengthened, has been allocated an extra 6 per cent next year to finance the expansion of the Government's special employment schemes. Prisons will also get extra cash following a rise in the number of people incarcerated from 43,600 in 1984-85 to 48,000 in the current financial year. The Treasury has dropped any target for Civil Service pay because of the embarrassment caused by the repeated overshoots in previous years, but instead it has set new targets for overall departmental running costs. The plans provide for a 5.8 per cent increase in cash terms next year, suggesting that the Treasury is being far more realistic about pay settlements. Wages account for about 70 per cent of all departmental

costs. In the following two years, however, the new limits allow for increases of only about 3 per cent in cash terms. The Treasury seems more confident that it will be able to stick to the overall public spending targets than in past years. The overshoots in the planning totals compared to original plans have varied from £1.4bn in 1980-81 to £7.9bn in 1983-84. Much of those, however, are accounted for by the cost of soaring unemployment. Social security outlays rose by 34 per cent in real terms between 1978-79 and the current financial year. The premise of yesterday's White Paper is that the jobless total in Great Britain will fall slightly from the present 3.05m to 3m in 1986-87 and then remain stable at that level. The curbs on defence spending, which increased by a real 30 per cent over the same period, should also ease the

pressure. There remain some sectors, however, where the Treasury must be despatching of success. The elaborate and constantly changing system of controls imposed by the Government on local authorities still appears futile. This year, for example, the authorities will spend around £2bn more than was envisaged a year ago. For 1988-87 the Treasury has optimistically provided for an increase of only 1 per cent in cash terms, and for the following two years it has simply pencilled in the same cash figure. That implies that the contingency reserves against unforeseen expenditure provided for in the White Paper—£41bn in 1986-87, £51bn in the following year and £58m in 1988-89, are not quite as comfortable as they seem. Philip Stephens

Philip Stephens

The state industries remain dependent

THE GOVERNMENT'S long-standing ambition of ending the dependence of nationalised industries on external finance remains as far away as ever, still being hoped for in the last year in the three-year planning process. As long ago as February 1984 the Government said it hoped that by 1986-87 the external financing limits (EFLs), which were as high as £3.5bn a year in 1981, would be down to a mere £90m. In spite of the removal of a number of subsidies from the public sector, improved performance and efficiency in others and demands for ever larger contributions to the Government's coffers from the profitable industries the target for the year will still be £7.55 or £7.60. Child benefit is a universal benefit paid to all children and the child population is projected to fall from 12.2m now to 11.9m in 1987-88. The cost of child benefit is planned to rise from £4.4bn a year now to £4.5bn in 1987-88, around £200m less than the cost would be if the current payment of £7 were maintained in real terms.

EMPLOYMENT AND TRAINING

Expansion plans checked

PLANS TO expand training provision on the Community Programme for the long-term unemployed are likely to prove a casualty of financial constraints on the Manpower Services Commission. Yesterday's White Paper shows that the MSC's expenditure is planned to rise from an estimated outturn of £1,578bn in 1985-86 to £1,820bn in 1986-87. Further increases are planned, to £2bn in 1987-88 and £2.14bn in 1988-89. The Commission had, however, been hoping to have an additional £27m to spend next year, and commissioners will have to consider at their monthly meeting next week which areas of proposed expenditure should be constrained. Proposals to build a training element into the Community Programme, which provides the adult long-term unemployed with work on socially-worthy while projects is a likely area for making savings. It will, however, be for the MSC's nine part-time commissioners—a number of whom will be attending their first meeting following the recon-

stitution of the commission—to decide. Not all are likely to be happy to drop long-discussed plans to improve the future employment prospects of long-term unemployed people by providing training on the Community Programme. The number of places on the Community Programme is currently being expanded to 230,000 by June—compared with 130,000 in the middle of last year—and the cost of this helps to contribute to an increase of £415m in the Department of Employment group's total spending provision between 1985-86 and 1986-87. It is also likely that further enlargement of the programme will be announced in the Budget. Plans to extend the Youth Training Scheme from one to two years also begin to come into effect this year. This, and the proposed expansion of the Enterprise Allowance Scheme which helps unemployed people start their own businesses, also contributes to the increased provision. Savings will be made from lower than expected spending

on the Job Release Scheme, and proposals to end the state contribution to many redundancy payments later this year. This balances out at total estimated expenditure of £2,322bn for the Department of Employment group in 1986-87. The group covers the Health and Safety Commission and Acas as well as the MSC and the Department itself. Most expenditure is undertaken by the Department itself and the MSC, with more than half the commission's total resources now devoted to the YTS and the Technical and Vocational Education Initiative, which is aimed at improving technical provision for 14-18 year-olds. The Department has recently assumed responsibility for tourism, which the Government regards as an important growth area in the economy. An extra £6m is being made available next year to promote the industry, including an effort to encourage more foreign visitors to travel outside London. Alan Pike

Robin Pauley

TRADE AND INDUSTRY

Support for businesses to fall

IMPLEMENTATION of the changing role of the Department of Trade and Industry in industrial support, and forecast improvements in the financial position of nationalised industries are the main reasons for a big fall in provision for the department's spending in 1986-87. It will be £1,033bn against an estimated outturn of £1,960bn in the current financial year. Within the overall reduction, provision for increases are made in selective assistance areas to £97m, and in selective assistance (Section 7 grants) from £58m to £64m. Increases are also provided for some activities relating to the regulation of trade and industry, including extra

efforts to combat fraud, the total provision for this sector is £40m in 1987-88, compared with £22m in the current year. Substantial changes in the support for certain industries is planned, particularly aerospace which will fall from £111m to £10m, reflecting receipts now coming from previous programmes and shared contracts. Support for steel will drop from £17m to £8m, and for shipbuilding from £49m to £26m. This includes spending on launch aid, including that to British Aerospace for its participation in the Airbus A320 and the EH 101 helicopter joint venture between Westland Helicopters and Augusta, the Italian manufac-

turer. This provision was made before the current controversy over the Westland rescue. Changes in the allocation of regional development grants from the old to the new schemes means there will be a fall in the provision from £208m to £123m in the period following the period of overlap between the two schemes. Spending on the nationalised industries will fall dramatically from £706m in the current year to forecast provision for receipts of £40m at the end of the period. This reflects planned expenditure by the British Steel Corporation being brought forward, in particular, and other industries. Hazel Duffy

Bridget Bloom

EDUCATION

Teaching resources to shrink

THE WHITE PAPER dashes any hopes in state educational institutions that the Government might have become more generous to them since it outlined its spending plans in November. Yesterday's document reinforces the message that the universities will have to make do with diminishing real resources. Slightly more than £14.3bn is earmarked for allocation through the Department of Education and Science in the 1986-87 financial year. Of that the bulk is for spending by the local education authorities directly responsible for schools, colleges and polytechnics in England and Wales. Expenditure on similar non-universities in Scotland and Northern Ireland is budgeted separately. The English and Welsh

authorities are scheduled to receive £10.8bn in the 12 months from April for their recurrent spending, which is about £210m or about 5.8 per cent more than they were allowed by last January's expenditure White Paper. But the increase is still about £500m short of the amount the authorities have said they needed for their current spending on education. The universities are to have a total of £1.41bn for recurrent spending in the year from April, compared with an estimated £1.38bn in 1985-86. But in real terms the universities' allocation represents a decline of about 1.6 per cent in their funding, and they are evidently to expect similar reductions in each of the following few years. Though their student numbers are scheduled to

increase slightly. The news is rather better for certain "selected" universities, which have still to be officially nominated. They are to share £10m instead of the £7m earmarked a year ago for the upgrading of research equipment in 1986-87. Science spending through the Research Councils has also been increased by £15m to a total of about £616m in 1986-87 against £580m in the present year. But although the extra money raises the science budget to its highest ever figure, it will still be considered damagingly inadequate by the pressure group of British scientists formed this week to lobby for increased funds. Michael Dixon

Richard Evans

OVERSEAS AID

New soft loan facility for exporters

BRITAIN'S overseas aid should stay slightly ahead of inflation next year, with net spending planned to increase by 4.8 per cent, from £1,133m in 1985-86 to £1,187m in 1986-87. In addition, capital repayments amounting to £72m from past aid loans will be available for new expenditure by the Overseas Development Administration. Thus, the ODA's total ceiling for aid spending in 1986-87 is fixed at £1,259m. The planning totals for the following two years project net overseas aid, net of capital re-

payments, rising further by 3.6 per cent and 3.3 per cent respectively. These increases should continue to keep Britain's aid expenditure approximately constant in real terms, provided the Government's inflation assumption are not exceeded. The Aid and Trade Provision (ATP), which is a category of aid designed to support British exporters facing competition from export credit subsidies by other industrialised countries, should continue to rise in the year ahead. From November

1985, the grants available under the ATP have been supplemented by a new soft loan facility, at a cost rising from £3m next year to £10m and £20m respectively in the succeeding years. The Government's stated objective is to double by 1988-89 the amount of British business supported annually by ATP grants and loans. The total ATP allocation proposed for 1986-87 is £68m. Anatole Kaletsky

Robin Pauley

Robin Pauley

Robin Pauley

Robin Pauley







THE ARTS

Exhibitions/Patricia Morison

Tourist perspectives



"The Arch of Constantine" by Ducros

Fashionable travellers on the 18th-century Grand Tour did so at considerable cost to their pockets, patience and health...

Typical was Sir Richard Colt Hoare, owner of Stourhead, who rhapsodised over Ducros's dramatic scenes of the Falls of Tivoli...

Also at Manchester is a highly entertaining exhibition of 19th century wallpapers, A Decorative Art, which has been extended until February 15...

Ducros is not to everyone's taste—there are too many painstakingly executed bricks in the Arch of Titus and too much aqueous blue in the distant prospects...

With his techniques for turning out souvenirs at a tremendous pace Ducros should have ended up rich. Unfortunately, jealous local artists and the French Revolution drove him from Rome and Naples...

Photographs and patterns recall the 1880s drawing-room, a jungle of motifs from the patterned carpet, up past the anaglypta dado, the in-filling, the frieze, to the patterned paper on the ceiling.

Janet Smith/The Place

Clement Crisp

"Accessibility" appears to be the key to the work of Janet Smith and her small company. The introduction to the programme booklet claims that the troupe has this reputation...

Whether in Dan Wagoner's Flee as a Bird (dance hall quietness), or Miss Smith's Near and Far (happy and sad duets to music entitled "Donkey Droppings" and "Cooking Oil")...

other bodies; one girl in the company has cornered the market in vivacity; one chap emoting to an old shoe. But more serious than sameness and cliché...

Alabama Shakespeare Festival

Frank Lipsius

In The Millionaire, an old American television drama, a stranger gave away a million dollars to the audience...

Now the company faces the challenge of growing into its new home. Red Blount gave an extraordinary gift but he demanded that others provide the operating funds...

Robert Browning in "The Glass Menagerie" is a masterpiece of dramatic poetry. It is a play about a family that is trapped in a world of its own making...



Robert Browning in "The Glass Menagerie"

Simon Boccanegra/Covent Garden

Max Loppert



Renato Bruson and Kiri te Kanawa

As was widely publicised, the Royal Opera's long-awaited Otello (new production, conductor Carlos Kleiber) was transferred into Simon Boccanegra (revival with Otello cast, conductor Edward Downes) when Plácido Domingo's activities on behalf of Mexico interfered with the Otello rehearsal schedule...

"noble" is justly applied. He has his limitations—a lack of sheer vocal grandeur to dominate the Council Chamber Scene, a lack of that indelible impress of colour on words that makes Gobbi's Doge live in the mind years after the experience of it...

Other disappointments were mollified as well. This most unshowy and "interior" of the great Verdi operas may not respond ideally well to the working conditions of big international opera company performance...

Kiri te Kanawa's Maria-Amelia has no longer that special innocent radiance that graced her earliest London appearances in this opera (and on Tuesday night the voice sounded often a little foggy or faint in its lower reaches)...

Claude Helffer/Wigmore Hall

Andrew Clements

To begin a recital with Brahms's F minor Piano Sonata is a bold, combative gesture, implying a cast-iron technique. The opening plunges the pianist right into the thicket of things with thick notes that cold fingers can so easily miss...

With his techniques for turning out souvenirs at a tremendous pace Ducros should have ended up rich. Unfortunately, jealous local artists and the French Revolution drove him from Rome and Naples...

Toshiba donates funds for Japanese Gallery

Toshiba has given £350,000 to the Victoria and Albert Museum in London to help set up a gallery of Japanese craft and design. The gallery, to be called the Toshiba Gallery of Japanese Art, is to open in the autumn...

Missa Solemnis/Elizabeth Hall

Richard Fairman

Small-scale performances of Beethoven continue apace. Rumour has it that two complete cycles of the symphonies have been recorded on original instruments and are awaiting release...

and articulate, often overpowered by his. Altogether little remained of the work's customary atmosphere of deep feelings attained after a struggle. John Eliot Gardiner's performance is conceived in a simpler vein...

approach should not be taken too quickly, for after years of hearing this music under conductors who approach it from a romantic standpoint we now have the opportunity to hear one who comes to it, as it were, from the other end.

Arts Guide

Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Jan 10-16

Exhibitions

PARIS

Old and new: State acquisitions over the last five years. The 240 exhibits range from Egyptian papyrus drawings from 1800 BC to contemporary artists and comprise paintings, sculpture, pieces of furniture and objects d'art...

WEST GERMANY Düsseldorf, Kunsthalle Grabbeplatz Joel Shapiro: First stop for an exhibition covering 60 abstract sculptures and paintings by the American artist in the last nine years...

ITALY

Venice: Museo Correr (Ala Napoleonica): Folon: Over 200 works by the celebrated Belgian artist, among them 120 etchings, original illustrations to Apollinaire, Prevert, Boris Vian and others...

SPAIN

Madrid, Repetitive Structures. 22 works by 21 artists on loan from Ludwig Museum in Cologne, among them, Andre, Judd, Lewitt and Morris engaged in the Minimal movement and Andy Warhol, Lichtenstein and Dine in the Pop Art...

WASHINGTON

National Gallery: The Treasure Houses of Britain collect 700 objects from 200 stately homes in a show mounted and decorated to look like the quintessential stately home, with paintings by Holbein, Rubens, Van Dyck, Hogarth and Turner among many others...

FIND OUT MORE ABOUT EXPERT OFFSHORE INVESTMENT. Brown Shipley in the Channel Islands offers expert money management for non-UK residents, backed up by a full banking service and all the benefits of an offshore investment centre.

Arts Guide. Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday. A selective guide to all the Arts appears each Friday. Jan 10-16

Saleroom/Antony Thorncroft Corner of classicism. The salerooms are slowly recovering from their mid-winter break. Henry Spencer & Sons in Retford sold an interesting item this week...



**INVESTMENT ANALYST**  
c. £15,000

Confederation Life is a well established and highly successful Canadian Life Insurance Company with its Head Office in London and with branches throughout the U.K. Our Investments Division will shortly be moving to new, prestigious offices in Chancery Lane where we will have a vacancy in our Research Department.

We are seeking someone with experience of fixed interest dealing or fixed interest research in an Insurance Company, pension fund or similar environment. A professional qualification or part qualification relevant to a career in investment is required.

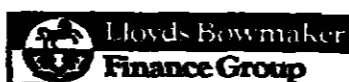
The person appointed will be responsible for the analysis of fixed interest securities after a period spent in our established research area.

Personal development prospects are exceptionally good for the appointee and, in addition to a very competitive salary structure, the Company offers a Non-Contributory Pension Scheme, free Life and Health Insurance and Mortgage Concession.

Apply in strict confidence to:

MR. R. BURNS-GREEN, Personnel Manager  
Confederation Life Insurance Company  
50-52 Chancery Lane, London WC2A 1HE

 **Confederation Life**  
A MEMBER OF THE CONFEDERATION LIFE GROUP

 **Lloyds Bowmaker Finance Group****Corporate Planner**

£13,500-£15,500  
Central London

Lloyds Bowmaker Finance Group is one of Britain's leading finance houses, providing a comprehensive range of credit services to commerce, industry and the individual consumer through a national network of regional centres and branches. A subsidiary of Lloyds Bank, the Group has assets of £2.5 billion and employs over 4,000 staff.

An analyst is required to join a young professional team in our Group head office in London. Specific responsibilities will cover Group strategic planning, financial forecasts, management information systems, market analyses and investment appraisals.

Candidates should have a good degree—preferably in economics or business administration—and experience in corporate planning, finance or marketing, together with an awareness of micro-computer techniques. Excellent communication skills, a sound analytical mind and pragmatic approach are all essential.

Excellent benefits are those appropriate to a major financial organisation.

Please write with full personal and career details, including home telephone number, to Carol Cass, Group Personnel Officer, Lloyds Bowmaker Finance Group, 9-13 Grosvenor Street, London W1X 9FB.

**CAPITAL MARKETS**

As a result of substantial growth, the Capital Markets division of our client, a leading American international bank, is seeking additional sales and trading staff.

In particular, they require an experienced Dollar Straights Trader to assist with the trading team's demanding workload as a major force in the market.

They also have a requirement for senior Euro-bond salespersons, with a minimum of two years' experience in that field, who can help continue a period of expansion.

Highly attractive salary packages are offered as one would expect from a major US financial institution.

For further information, please contact Simon Harrison or Louise Gore on 01-481 3168.

**CHARTERHOUSE APPOINTMENTS**

EUROPE HOUSE - WORLD TRADE CENTRE - LONDON EC2 5AA - 01-481 3168

**Senior Banking Lawyer overseas posting**

A major international banking corporation, an active lender in most markets and involved in all modern banking transactions, is replacing a lawyer moving into the bank's investment arm.

A self-reliant and energetic lawyer, aged 30 years or more, used to transactional banking law, prepared for considerable exposure and travel, will find the bank's small Legal Department a demanding but satisfying work environment. Prospects for career growth and promotion are excellent with the possibility of a London posting in due course.

The total remuneration package will be negotiable at a level reflecting the importance of this appointment and paid tax free. All usual overseas banking benefits are available.

Applications for this post, quoting ref. RMA/C281, are to be made to Robert Macdonald of Reuter Simkin Ltd, 26-28 Bedford Row, London WC1R 4BE Tel: 01-465 6852 (Fax: 01-465 3677) who are instructed to conduct first interviews and prepare a shortlist.

**REUTER SIMKIN RECRUITMENT****Hoggett Bowers plc****City Division****Eurobonds****& Neg Plus Benefits Package**

Our Client is one of the world's leading International Securities Houses providing brokerage, investment banking, asset management and other financial services to diverse corporate, government institutional and individual investors worldwide.

As a result of their rapidly expanding Eurobond activities, they seek additional staff to settle trades and in addition to play an important role in the development of this area enjoying the career prospects that this will bring.

The successful candidate will be responsible for all Eurobond Settlements including dollar bonds, Straights, convertibles and FRNs.

Applicants will have at least two years' Eurobond Settlements experience within a major financial institution, a sound knowledge of Euroclear and an understanding of Capital Markets instruments.

Male or female candidates should telephone Anne Weston in confidence for a Personal History Form quoting Ref: 6071/F7.

01-588 4305

Moorgate Hall, 153/157 Moorgate,  
LONDON EC2M 6XB.

Recruitment Consultants

**PERSONAL FINANCIAL MANAGER**

Central London c. £20k neg + benefits

This appointment is to complete a newly created small specialist team within a well-established, prestigious institution providing banking and a wide range of financial services, predominantly to high net-worth U.K. residents.

Candidates, probably around 30/35 and preferably qualified, must have in-depth practical experience of C.T.T. and estate planning, a comprehensive understanding of personal taxation and a high degree of financial awareness extending across a broad range of investment media, especially quoted securities.

The successful candidate will be expected to provide ongoing sound and objective advice directly to a small group of wealthy customers for whom responsibility will be undertaken; this will require appropriate personal skills and attributes to project the style and standing of the organisation. It is important to be able to demonstrate experience of delivering effective solutions to a wide range of financial problems relating to individuals.

This appointment represents an excellent career opportunity with a highly respected institution for the person who can offer the required blend of skills, experience and personality.

Please apply in confidence, with C.V., to:

Michael Southern,  
Senior Management International  
Executive Search Consultants  
London House  
19, Chiswick Court Road  
LONDON W2CH 0ES

**IB****FRN Trading**

London Interstate Bank, London, a wholly owned subsidiary of Sparekassen SDS, Denmark, is currently establishing a FRN trading capacity and is seeking a candidate to take responsibility for this new venture.

The successful applicant must possess relevant experience, be self motivated, hard working and enjoy an aggressive environment.

Remuneration will be competitive and geared to results.

Applications in writing to:

The Personnel Manager  
London Interstate Bank Limited  
Bankton House  
140 London Wall  
London  
EC2Y 5DN

**CREDIT OFFICER**

£15,000

Due to continued expansion this elite Merchant Bank requires a graduate banker with at least 18 months corporate credit analysis experience. Working as part of their Far East team, the successful candidate will be involved in the research and development of their multinational business.

For further details please contact:

CAROLE STEVENS on  
01-236 1113 (24 hours)

PORTMAN RECRUITMENT SERVICES

**PORTMAN RECRUITMENT SERVICES**

**International Appointments****Un elemento chiave per la nostra strategia di crescita nella****Consulenza di Gestione in Europa**

Arthur D. Little, società riconosciuta come tra i leaders mondiali della consulenza di gestione e della tecnologia, continua ad espandere le proprie attività in Europa.

La nostra sede italiana, basata a Milano, è una delle forze trainanti del nostro sviluppo in Europa ed opera nei campi della gestione strategica, organizzazione, attività operative, sistemi informativi e finanza. Uno dei suoi punti di forza, rappresentativi dell'Arthur D. Little, è la capacità di integrare in ogni aspetto funzionale del business la dimensione tecnologica.

Questo contesto ha creato opportunità di carriera molto stimolanti per laureati di età attorno ai trent'anni con ottima conoscenza della lingua italiana ed inglese. Il candidato ideale possiede una laurea in Ingegneria o in discipline preferibilmente scientifiche, supplementata da un Master in Business Administration. La sua esperienza di lavoro consiste in cinque o più anni nell'industria

e comprende eventualmente anche un periodo nella consulenza.

Se siete dotati di una forte creatività e spirito analitico, siete attratti dagli stimoli e libertà intellettuali, siete disposti ad assumere importanti responsabilità ed avete la necessaria maturità e confidenza per guadagnare la fiducia ed il rispetto dei vostri clienti e colleghi a tutti i livelli gerarchici, questa rappresenta una delle più premiate opportunità di carriera che potreste incontrare. Tale carriera vi permetterà inoltre di sviluppare le vostre doti professionali in un ambiente che mantiene i massimi standards.

Il pacchetto retributivo offerto interesserà i candidati del massimo calibro.

Si prega di inviare un curriculum vitae dettagliato (in Inglese) a: E. H. R. Lyte, Director of Personnel, Arthur D. Little International, Inc., Berkeley Square House, Berkeley Square, London W1X 6EY.

Arthur D Little International, Inc.

**Project Accountant**

Amsterdam c.£17,500 + benefits

Our client is one of the world's largest airfreight forwarding companies and part of a diverse international group. The company has an impressive record of growth and as a result of plans for future expansion, they now seek a Project Accountant to strengthen their financial team at the world's headquarters in Amsterdam.

Reporting to the Divisional Controller, main responsibilities for this position are as follows:

- financial audit and operational review
- special projects including investigations
- financial analysis
- head office reporting

The role will involve considerable travel worldwide including visits to company locations in Europe, U.S.A., the Middle East and Far East.

Candidates should be single, aged 26-30, having qualified as an ACMA, ACA or ACCA with experience gained ideally in a service industry in an international environment.

A good working knowledge of French and German would be useful.

Interested candidates should contact John Archer on (Brussels) 010-322-648.13.84 or send a comprehensive curriculum vitae to Michael Page International, avenue Louise 350, Box 3, 1050 Brussels.



**Michael Page International**  
Recruitment Consultants  
London Brussels New York Sydney  
A member of the Addison Page PLC group

**EMPLOYMENT CONDITIONS ABROAD LIMITED**

An international association of employers providing confidential information to its member companies relating to employment of expatriates and nationals worldwide.

Anchor House  
75 Britten St, London SW3 2TY  
Tel: 01-361 7751

**Finance Manager**  
**A greenfields challenge in Abu Dhabi**

The construction in Abu Dhabi of a new wide body aircraft maintenance facility has brought about this new opportunity for a Finance Manager with Gulf Aircraft Maintenance Company.

Your initial responsibilities will be to establish a structure of accounts and activate a computerised finance system, and subsequently to set up a finance department including accounts functions, employee payroll and internal audit.

Candidates, preferably fully qualified, must have substantial relevant experience, including managerial responsibility.

Initially a three year renewable contract, this demanding professional opportunity carries a generous, tax-free salary, free furnished accommodation, service gratuity and other attractive benefits.

Please write, with full cv, photograph and copies of all relevant certificates, to:  
Project Manager, GAMCO, PO Box 6450,  
Abu Dhabi, U.A.E.

**FINANCIAL DIRECTOR (designate)**  
**\$75-100,000 BRUXELLES**

We are a burgeoning private Group established worldwide (8 countries). Our interests include mining, financial services, oil + gas exploration and production and publishing.

The Group's gearing is negligible and net assets approximate \$100m. This is just the beginning.

Now a top level financial person — probably with banking (or perhaps senior accountancy) experience — is required to join a team of two to drive/propel the Group through its current and most exciting phase of expansion.

You will need to demonstrate a successful record of conducting the financial affairs of an entrepreneurial concern and be able to represent the Group internationally at all levels in the development of its business. Relationships with banks, which have been previously unnecessary, will now need to be established. Extensive travel will be a feature of this position which is Brussels based and is to be filled as soon as possible. In replying to this advertisement you will be writing direct to Group headquarters. All communications will be treated in confidence. Box A0022, Financial Times, 10 Cannon Street, London, EC4P 4BY.

**TRUST MANAGER**

JERSEY, CHANNEL ISLANDS

Our client is a leading global financial institution whose Jersey based trust business is experiencing considerable growth.

As part of the development programme they wish to appoint a highly professional person capable of managing and expanding a considerable sophisticated client-base. Some international travel will be involved.

We are particularly interested to hear from those who have Middle and Far East direct client contact and an ability to negotiate at a high level with wealthy individuals and professional advisors.

Please forward your detailed CV in complete confidence to  
Michael R. I. Scowen, The Expatriate Resources Company Limited  
PO Box 382, Jersey, Channel Islands. Telephone: 0534 76257

**ERC**

**KUWAIT CREATIVE TRAINERS WANTED**

We are the Institute of Banking Studies, Kuwait, and we need professional bank trainers in the areas of domestic and international asset management, liabilities management, bank marketing and product development, and, bank systems and operations.

The I.B.S. is a premier institution for bankers' training, applied banking research, academic education, and bank consultancy, working under the auspices of the Central Bank of Kuwait. We have established a firm grounding in the last few years in terms of our goals and direction, and our high level of activity has made an impact. We now look to gearing up in the next few years.

We are looking especially for persons in the age group of 30 to 45 with a blend of quality education and experience. A good degree and a minimum of seven years' relevant work experience in a bank is essential in addition to experience as a trainer. Enthusiasm for the job and creativity are an absolute must. The work will include designing programmes, preparing training materials, teaching primarily in one's specialised area and secondly in an optional subject, besides co-ordination.

Terms will be attractive and negotiable. Send your CV, with photograph, before 30th January to:

DR. ABDULLAH M. S. GHANEM, DIRECTOR,  
INSTITUTE OF BANKING STUDIES,  
P.O. BOX 1080, SAFAT, KUWAIT, GULF.

**FINANCIALLY ORIENTED**

GREENWICH ASSOCIATES, a leading international consulting and research firm in the financial industry, is expanding field operations throughout the United Kingdom, France, Spain, Switzerland, Belgium, Germany, Sweden and the Netherlands.

We seek senior business professionals to act as part-time associates and join our organisation in conducting research interviews. Responsibilities will include: initial contact with identified key financial executives, arranging of appointments, and conducting the interviews.

Successful candidates should have:

- Proven years of experience in the financial industry
- Excellent communications skills
- An ability to function with minimum supervision

If you possess a well-rounded background, have available time, and a strong desire to stay active in the financial community, we are interested in speaking with you. (Must be conversant in English.)

Local interviews will be the week of February 3rd. Please forward your curriculum vitae and a short note stating objectives to N. Berke

GREENWICH ASSOCIATES Office Park Eight  
Greenwich CT 06430

**INTERNATIONAL APPOINTMENTS APPEAR EVERY THURSDAY**

Rate £41 per single column centimetre (Plus V.A.T.)



# Accountancy Appointments

## Finance Director

C. London

c.£35,000 + car + benefits

Our client is a fast growing venture capital funded company, marketing computer technology in the leisure and entertainment sector. Since its foundation in 1979, it has developed a U.K. market leadership in excess of 80%, and a significant international presence including a subsidiary company in the U.S.A. A new, but related, business division was launched in 1985 and has already achieved a significant market position. It is expected to develop quickly as the company's core activity. The company is moving into an exciting phase of its development and now needs a high calibre Finance Director to be a part of the medium term strategy of a public flotation.

direction of the company. Full computerisation of the accounting function will be an immediate priority. Candidates will be qualified accountants, probably aged 30-40, who are able to demonstrate an exceptional track record to date in a disciplined environment. Excellent man-management skills and strong commercial flair are essential personal qualities.

The salary package for the successful candidate will reflect the demanding nature of the appointment. Benefits will include an executive car, share options and profit sharing scheme.

Interested applicants should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive C.V., quoting ref. 298, at 39/41 Parker Street, London WC2B 5LH.



**Michael Page Partnership**

International Recruitment Consultants  
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney  
A member of the Addison Page PLC group

## UNIVERSITY OF DURHAM

### LECTURESHIP IN ACCOUNTING AND FINANCE

Applications are invited for a Lectureship in Accounting and Finance, following a further donation from Spicer and Pegler, who have already funded a Chair of Accounting in the Department. This expansion of the accounting staff within the Department is part of the programme to implement an accredited Accounting-Economics degree, which will admit its first students in October 1986. There will be a further appointment in 1987. There is no preference for any particular specialism.

The initial salary will be at an appropriate point on the Lecturer scale (£22,000-£15,520), according to age, qualifications and experience. Further particulars may be obtained from the Registrar and Secretary, Old Shire Hall, Old Elvet, Durham, DH1 3HP, to whom applications (three copies) should be sent not later than Friday, 7th February 1986.

## Finance Director

Berkshire

c.£25,000 + car

This small and profitable group requires a Finance Director to join its senior management team. The group's recent successes have been based upon sound management and expanding the sales of its light engineering products to a wide range of export markets.

Reporting to the Chief Executive, the Finance Director will be responsible for the management of the group's financial affairs, advising the management of the group and its subsidiaries on business and financial decisions. The role will also include group company secretarial matters, as well as the key tasks of cash management, budgeting, forecasting and systems development.

A qualified accountant is required with experience of working at a senior level in an engineering or manufacturing

company. Specific experience of cash management and exporting is also sought, coupled with the personal and technical skills needed in a small group.

Remuneration: around £25,000 including discretionary bonus, car and other substantial benefits.

Please reply in confidence, enclosing career details and quoting reference U2259/L, to John W. Hills, Executive Selection Division, Peat Marwick Mitchell & Co., 165 Queen Victoria Street, London EC4V 3PD.



## Vice-President Finance Europe

West End to £30,000 + bonus + car

This very successful international company is seeking an able, creative accountant to head the corporate finance function of its European Region with operations throughout Europe, and in the Middle East and Africa. Part of a diversified Canadian group, the company markets its speciality chemicals to a variety of industry sectors worldwide. Turnover approaches £300m, of which nearly half is generated by the Region. The Vice-President Finance will join the small headquarters team and work closely with the Chief Executive in maximizing the profitability of existing operations and guiding their development by acquisition and

growth. Close links will be maintained with the parent company in Canada and frequent visits to the operating subsidiaries will be necessary. Candidates, aged in their 30s and with a professional qualification, must have proven experience of managing corporate finance in an international context. A second European language, preferably French, would be an advantage. Salary is negotiable and the excellent benefits package includes a car and profit-related bonus.



Please write with brief cv, in confidence, to Peter Greenway, Ref: AAS/9674/FL

**PA Personnel Services**

Executive Search - Selection - Psychometrics - Remuneration & Personnel Consultancy

Hyde Park House, 6th Knightsbridge, London SW1X 7LE  
Tel: 01-235 0960 Telex: 22874



## PRUDENTIAL CORPORATION

## Computer Audit Central London

With rapidly changing business and management requirements, the Prudential, long established as one of the UK's largest users of computer facilities, is developing a new generation of systems to cater for substantial growth and diversification.

A young qualified accountant with computer audit experience, gained either in the profession or in commerce, is sought to strengthen the multi-discipline audit team. Main responsibilities will be the development of interrogation techniques to complement the work

of the operational auditors and the monitoring and appraisal of new and existing systems.

Future prospects are outstanding and success in this position will create further opportunities in the field of systems audit/development or in line management within one of many diverse business areas.

The highly competitive remuneration package includes a non-contributory pension and a low cost mortgage.

Contact David Tod BSc FCA on 01-405 3499 quoting ref D/363/CF



125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

## VIKING PROPERTY GROUP



### GROUP FINANCIAL CONTROLLER

The Viking Property Group of property development companies with substantial programmes in both the UK and North America proposes to strengthen its management team by the appointment of a qualified accountant as Group Financial Controller.

The successful applicant, who is likely to be aged between 30 and 35, will be based at the East Midlands headquarters.

In liaison with the present Group Accountant he will be responsible directly to the Chairman for all financial aspects of the Group including:-

Financial reporting Management accounts information Budgetary control Data processing Assets and Cash Management Tax planning Analysis and evaluation of Company acquisitions Administrative systems

In addition he will assist the Projects Director in the assessment of the economics of contemplated development schemes, in the control of the expenditure on projects in hand and in the completion of the relevant legal documentation.

He will also be appointed Company Secretary to all the companies within the Group.

The salary arrangements are negotiable but will include generous fringe benefits and relocation assistance.

Applications in writing with full cv to The Chairman, Viking Property Group, Kilburn Hall, Kilburn, Derby DE5 0LU marking the envelope "Private and Confidential."

## Ambitious?

Honeywell, one of the world's leaders in Information and Control Systems technology, is looking for accountants for its substantial UK operation (to £300 million).

### Qualified Accountants c.£18K plus car

#### Manager, Financial Forecasts

- this is a key management position in the financial analysis and forecasting of our Information Systems Business.

#### Manager, Financial Analysis and Planning

- a similarly key position working closely with the management of our Systems Division, and acting as deputy to the Divisional Controller.

The insight into the Company's operations gained in these positions will provide an excellent basis for promotion to a Controller position in the medium term.

### Senior Analysts

We also have a requirement for a number of recently or near qualified accountants to work within our business controller and corporate functions, competitive salaries are offered, based on qualifications and experience.

The positions are based at our offices in Brentford, Bracknell or Hemel Hempstead.

Please apply with full cv to Alan Smith, Personnel Manager, Honeywell Information Systems Ltd., Honeywell House, Great West Road, Brentford, Middlesex.



together, we can find the answers

## Exceptional career opportunities in publishing

Salaries from £25,000 + benefits

We have been retained by Newspaper Publishing PLC, based in Central London, which is to publish a new quality national daily newspaper employing latest available technology. Enjoying substantial backing by major financial institutions and leading City advisers, the newspaper is scheduled to be launched later this year. Consequently the company seeks to appoint exceptionally talented Managers for two key roles. Both positions report directly to the Finance Director and demand candidates of the highest calibre.

### Chief Accountant

This is essentially a "hands-on" role for a qualified accountant, encompassing day-to-day management of the accounting function. Ideally from a newspaper/publishing background, you are likely to be in your early 30's and must have an outstanding track record to date particularly in the area of computer systems development within a fast moving environment. The ability to work to strict deadlines and apply effective man management techniques is vital.

### Company Secretary

A qualified Chartered Secretary with a strong managerial background, you will be the focal point for all matters relating to personnel, insurance, property, pensions, and general administration. Aged mid to late 30's, you must possess the personality and presence to command respect and credibility at board room level.

These positions represent outstanding opportunities for highly motivated individuals to join an exciting new venture from inception. The salaries, which will not be a limiting factor, are unlikely to be less than £25,000. A company car and an attractive share option scheme will be available.

Interested applicants should write to either Nigel Bates FCA, or Andrew Sales FCCA, Executive Division, enclosing comprehensive c.v. quoting ref. 295, at 39/41 Parker Street, London WC2B 5LH.



**Michael Page Partnership**

International Recruitment Consultants  
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney  
A member of the Addison Page PLC group

## FINANCIAL CONTROLLER/POTENTIAL FINANCIAL DIRECTOR

Circa £17,500 + CAR + RE-LOCATION TO SUFFOLK + BENEFITS

A long established, progressive, family owned and managed group (sales £4 million p.a.) requires a FINANCIAL CONTROLLER/POTENTIAL FINANCIAL DIRECTOR.

Reporting directly to, and working closely with the Chairman and the Managing Director, the successful applicant will be responsible for the full Finance Function in a complex manufacturing enterprise.

This challenging new post provides an excellent opportunity to introduce modern financial disciplines with strong commercial involvement as a key member of the top management team.

Candidates should be Qualified Accountants, with wide industrial experience and preferably a knowledge of Foreign Trading.

Reply in confidence to: M. C. MacSwiney FCA (Ref. BTW) Great Thoreson, Churchgate House, 35 Churchgate Street, Bury St. Edmunds, Suffolk. IP33 1RD

## MAJOR NEW VENTURE Young Ambitious Accountant

c.18,000 + mortgage + bonus

Our Client is a new company, a subsidiary of a leading American Investment Bank, which has been established with strong capital backing to operate in the Home Loans market.

To complete their new and entrepreneurial management team, they now seek an ambitious young accountant to handle a varied profile role in close liaison with the Controller and the Operations Director. Responsibilities will include the Internal Management Reporting, Cash Management and all aspects of the Financial Accounting. Candidates should be self-motivated Chartered Accountants who can apply attention to detail and communicate effectively under pressure. Previous Financial sector experience though useful is not essential. Prospects are excellent for the candidate with the talent to succeed within an organisation which demands the highest standards.

Please write, enclosing career details, to SUSAN FIRTH

FIRTH ROSS MARTIN ASSOCIATES, WARDGATE HOUSE, 59A LONDON WALL, LONDON EC2M 5TP. TELEPHONE 01-628 2441

**Firth Ross Martin**

Financial & Professional Selection Consultants

## Financial Controller

Croydon

to £22,000 + Car

We have been retained by a well-established privately owned company, whose rapid growth as manufacturers and suppliers to the construction industry has resulted in unrivalled success and achievement in their field.

As a result of continued expansion, they now wish to appoint a high calibre, confident accountant as Financial Controller to strengthen their executive team. This unique opportunity will ideally suit an ambitious fully-qualified accountant, aged 25 to 45 years, who is able to participate in the general management and corporate planning of the company.

In addition to being responsible for the entire management and financial accounting function within this exciting, pressurised business environment, a familiarity with the latest computer applications will be of significant value. The successful candidate must possess a keen commercial awareness and be able to demonstrate sufficient drive and potential to become Finance Director in the medium term.

Please apply in complete confidence to the company's financial recruitment advisors, sending a full CV and salary history, if writing, for the attention of:

Gary Laurence, SELECTED ACCOUNTS PERSONNEL LTD., Suite 321, High Holborn House, 52/54 High Holborn, London, WC1V 6RL. Telephone: 01-343 0509 (24 hours).

Interviews will take place at either our Central London or Beckenham office whichever is most convenient.



# FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY  
Telegrams: Finantime, London FS4. Telex: 8954871  
Telephone: 01-248 8000

Thursday January 16 1986

## A sum less than its parts

THERE IS an unfortunate tendency within public spending to believe that it is the big picture rather than the fine print that matters. By this criterion, this year's White Paper, which is thicker and apparently more informative than ever, will generate little interest in British financial markets. The big picture, after all, is already known: in last year's budget, the Chancellor broke with tradition and announced the public spending planning totals for the next three financial years.

A broad assessment of the credibility of the overall spending totals and of the scope for tax cuts within the context of the medium term strategy has already been made by the market. By and large the assessment has been unfavourable although perhaps not as damning as the reaction to the 1985 White Paper. There is continuing concern in the City about the extent to which the expanded privatisation programme has disguised a relaxation of departmental spending limits—yesterday's paper confirms that in cash terms expenditure will be £2.8bn higher in 1986-87 than planned last year.

### Slippage

The big picture for public spending is not particularly inspiring. For the umpteenth time the Government is saying it can stabilise public spending in real terms. Yet it continues to rely on unrealistic assumptions—for example that social security benefits can be reduced in real terms next year and held steady thereafter. The outlook is for immediate slippage: after adjustment for the miners' strike (which affected spending this year) and privatisation, public spending can be held steady in 1 per cent in real terms in the coming financial year.

The best guess must be that public spending will continue to grow in real terms despite protestations to the contrary but perhaps at a slower rate than in the past five years, reflecting the stabilisation of unemployment. This means that even if the Thatcher Government runs to its full term, public spending (after adjustment for privatisation) may not fall significantly below the ratio of 43 per cent inherited in 1978-79.

The failure to halt the public spending juggernaut has had a number of interesting consequences. The big tax cuts once regarded by Thatcherites as the key to improvements in supply-side efficiency have been postponed. Ministerial attitudes have adjusted: public spending is no longer regarded automatically as a bad thing.

Changes are to be welcomed. The composition of public spending is arguably a good deal better than the overall total: there is nothing inherently wrong with public spending absorbing 45 per cent of GDP provided each element in cash terms expenditure is microeconomic rational. Indeed, a compositional analysis of spending trends makes the Government's inability to hold down the total easier to understand. Most of the increase merely reflects higher transfers to the personal sector through social security payments rather than higher public spending on goods and services.

Moreover, the Chief Secretary, was paying commendable attention to detail, citing the increased value for money achieved in defence and the health service. It remains to be seen whether the planned compositional shifts can be achieved: for example, the planned real contraction of the defence budget may prove elusive. What is certain, however, is that shifts in spending between departments and activities need to be rationally planned and reviewed against economic criteria rather than determined by eleven-hour sessions of unproductive debate. This means that even if the Thatcher Government runs to its full term, public spending

itself, is a considerable technical achievement. OSI and SNA were designed for different purposes. OSI is designed to allow equipment of different manufacture to communicate successfully. SNA is designed to manage interchange of information between computers of similar (that is, IBM) design.

IBM is so powerful in data processing worldwide there are fears that it could establish SNA as a *de facto* standard. That would be bad; competitors would always be at a significant disadvantage. Designing OSI-based equipment to meet IBM's interconnection rules. There is good, however, in the fact that European and now the US manufacturers have sought safety in numbers, abandoning their own proprietary interconnection rules and put their weight behind OSI.

Gateways  
IBM, to its credit, has played its part in the establishment and development of OSI standards. It is committed to OSI as a foundation for the industry. But it will not abandon its investment in SNA: it will provide "gateways" or electronic conversion devices to translate between SNA networks and OSI-based systems. In practice this would mean that all would be fair when IBM equipment is attached to an OSI network; but that IBM would have a slight advantage when OSI-based equipment was attached to its central computers.

So on technical grounds alone the government was right in 1984 to turn down the proposed IBM/British Telecom managed data network which would have been based on SNA principles. The best defence against a *de facto* SNA standard is to push OSI ahead with all possible speed. The UK Government has already shown its commitment through organisations like the Information Technology Standards Unit but could go further. It could require its suppliers to meet OSI standards just as General Motors and Boeing in the US require their suppliers to meet manufacturing versions of the OSI rules. At present government departments expand their support for ways of testing whether manufacturers are meeting the OSI specifications. Even strict rules on OSI will be of little value unless they can be enforced.

And the government should expand its support for ways of testing whether manufacturers are meeting the OSI specifications. Even strict rules on OSI will be of little value unless they can be enforced.

A NEW era in the way the US Government sets its budget priorities opened yesterday not with a bang but with an ominous tremor. Washington's two main budget agencies, the White House Office of Management and Budget (OMB) and the Congressional Budget Office (CBO) joined together for the first time by releasing the Balanced Budget and Emergency Deficit Control Act of 1985, and formally projected that the 1986 Federal budget deficit this year would rise to a record \$220bn.

With the release of the report the clock began ticking for the implementation of automatic cuts, the so-called "sequestering" of government spending, which the Gramm-Rudman-Hollings Act calls for in order to try to force the elimination of the budget deficit by 1991.

On January 20, the day before Congress reconvenes after its Christmas holiday, the General Accounting Office (GAO), exercising a power which is already being challenged in Federal court as unconstitutional, must report to the President telling him to prepare to issue the sequestration order for 1986 since the deficit is well above the legal target.

At that point unsuspecting Congressmen "are finally going to be hit on the side of the head with a two-by-four," says the budget expert on Capitol Hill discussing the implications of the train of events set in motion yesterday. One of the first things the new spending law will require, he suggests, is a \$10n cut from the Farm Bill which Congress has just approved.

But if this is the beginning of the Gramm-Rudman era, it is nothing in comparison with what could lie ahead if the law survives the forthcoming tests in the courts and in Congress.

"It's not even a warm-up," says another Capitol Hill budget watcher. He points out that for 1986 the budget law also permits a \$10n cut from the Farm Bill in the projected \$982bn Federal budget. For fiscal year 1987, when the deficit target drops to \$144bn, the automatic spending cuts could be as high as \$75bn, if they are triggered.

Moreover, because the law says that large parts of the budget, ranging from social security and interest on the national debt to some spending programmes for the poor, must not be touched, the automatic spending reductions must be made in areas accounting for barely one quarter (in 1986 \$281bn) of projected outlays. The law also requires that cuts are made equally between defence and non-defence areas.

Indeed, many of those who backed the Bill did so on the grounds that it was precisely this threat of automatic actions which would corner President Reagan and Congress, driving them to a political compromise which would bring to resolve the deficit issue.

To make doubly sure they built into the law a second political fuse, the automatic spending cuts for 1987. These are timed to explode on October 1, the beginning of the new fiscal year and only five weeks before mid-term congressional elections which could dash Republican hopes of retaining control of the Senate.

According to Dr Norman Ornstein, a respected political scientist at the American Enterprise Institute, "Congress and the President have handcuffed themselves to one another and jumped off the cliff without knowing whether they will land on a soft mattress or a bed of nails."

Black horse for Bootle  
Lloyds Bank may not have acquired a whole firm of stockbrokers for its foray into the new world of securities trading, but in Roger Bootle, it has recruited one of the better known economists in the broking fraternity.

Much to the chagrin of Capel-Cure Myers, his employers for the past four and a half years, Bootle, 38, is to become chief economist of Lloyds Merchant Bank. He will be paying particular attention to the gilt market, where Lloyds is to be one of the new primary market makers. He will therefore be working separately from Lloyds' economic adviser, Christopher Johnson, though some interplay is expected.

Bootle has made a name as one of the authorities on index-linked gilts, and for being one of the few stockbroking economists to give his political loyalties to the SDP/Liberal Alliance. Before his spell at Capel-Cure, he worked for the CBI and lectured on economics at Oxford. But he also worked for a time as a money market dealer with Citibank, and suggests that a combination of this experience with academic economics should prove a potent one.

Those with a more cynical view of the City's future reckon that with 29 market makers lining up for a gilt market previously dominated by two, Bootle's knowledge of horse-racing could be even more useful.

High Grade  
If Sam Goldwyn were still alive he'd be spinning in his grave. During enquiries into the business methods of Australian entrepreneur Sir Holmes & Court, conducted last year by lawyers from the US metals giant, Asarco, which Holmes & Court was then trying to acquire, scornful references were

## The Gramm—Rudman law

# Clock ticks on the US deficit

By Stewart Fleming in Washington

It is no wonder that there is a palpable sense of nervous anticipation in Washington as the Gramm-Rudman era dawns. Those planning legislation in any field must ask themselves whether they should proceed on the assumption that Gramm-Rudman will continue to function or whether the Supreme Court will ultimately uphold the challenge to the constitutionality of the sequestering process. If it survives the legal challenge, Congress and the President really only draconian automatic spending cuts in October?

The economic implications for policy makers in the US and abroad who see the resolution of the budget deficit as a key to more stable growth, and for the financial markets, are just as obscure. Is progress on the deficit just around the corner? If not, the markets can be expected to react badly to signs that this perhaps last-ditch effort to tackle the budget issue in a crisis-free atmosphere, is failing.

There is widespread agreement that Gramm-Rudman marks a change in the chemistry of the budget deficit debate. Senate Republicans in particular were worried to the point of what Mr Ornstein calls "panic over the danger of an economic upheaval ahead of this year's congressional elections and frustrated at the White House's failure to give more weight to their electoral priorities." Budget panaceas such as the elimination of waste and fraud or growing out of the deficit, so fondly propagated by the Reagan Administration, have been replaced by the need to debate the best spending and taxing decisions the deficit implies.

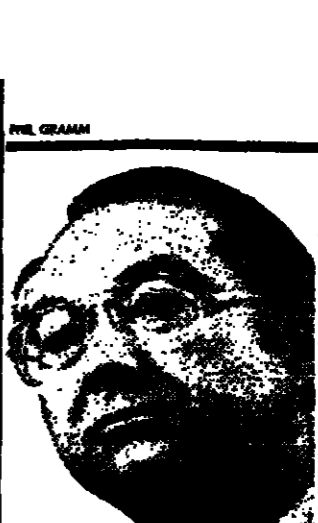
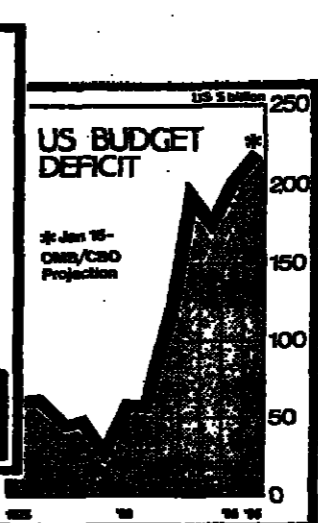
But who will best be able to exploit this debate to his own political advantage? Can the President use the threat of Gramm-Rudman to blackmail Congress into endorsing his political priorities—a continued defence build-up, no tax increases and heavy cuts in other government programmes? Or will he pursue a compromise, perhaps seeking to protect defence spending by conceding a tax increase? There are several straws in the wind.

Leaks of the budget message the President will send to Congress next month suggest that compromise is not at the top of Mr Reagan's list of priorities. He appears bent on adopting his traditional tough negotiating stance. The White House has said that the budget he presents to Congress will meet the \$144bn Gramm-Rudman target for 1987. That would mean that, in the unlikely event Congress were to try again to budge Congress into making the Federal Government smaller, there would be no need for massive automatic spending cuts to be unleashed in October.

Mr Reagan, at least in his opening gambit, plans to stay true to his political agenda in aiming at this target. He will propose a further 3 per cent real increase above the \$302.5bn provisionally agreed for 1986 in defence spending. How will he do it? Partly by the usual manipulation of the budget forecasts, partly by re-submitting budget programme eliminations Congress has already rejected, reforms in other Federal spending schemes and, a new element, the sale of some Federal assets to raise as much as \$15bn—a Reagan privatisation programme.

In other words it seems he plans to continue the high risk strategy of using the threat of an unresolved budget problem to try again to budge Congress into making the Federal Government smaller. It is a worrying prospect to Senate Republicans who fully expect to have to take the lead again, as they did last year, in drawing up the first Congressional budget plan. They will watch carefully for signs of flexibility, for olive branches, in the President's state of the union message on January 28, if they spot a willingness to compromise, some officials are already suggesting that the Senate Finance Committee will once again start pushing a plan combining cuts in defence spending, increases in taxes (an oil tax is one possibility) and some cuts in those domestic spending programmes the President cherishes.

They expect little public support from many House Democrats who, it seems, are ready to watch what happens as they did last year, comforted by the knowledge that



WARREN RUDMAN

PHIL GRAMM

efforts to block this process on constitutional grounds. Moreover, even some Administration officials concede that the forthcoming presidential budget looks politically unrealistic. It is evident from the cuts Mr Reagan had to accept from Congress in his defence proposal last year that the President is already on the retreat on defence spending.

Amid so much uncertainty it is not at all surprising that economists are unwilling to place bets on the impact the law will have on the economy. There is also a question about what impact the performance of the economy will have on the way the budget debate evolves.

If the economy shows continued resilience nearer the mid-term elections, for example, pressures for action on the deficit could weaken. One thing the law does provide for, however, is the suspension of Gramm-Rudman if a recession is predicted by the OMB and CBO.

To the extent that Gramm-Rudman has been seen as a sign of positive intent by Congress on the budget deficit and has contributed to the decline in interest rates, the rise in share prices and therefore individual wealth, its economic impact is positive.

But sentiment in the financial markets will continue to be influenced by the evolving debate. Failure to make progress on the deficit, particularly by late summer as sequestration for 1987 looms, could provide some anxious moments on Wall Street.

The Reagan Administration has been taking a much more optimistic line. It is telling its major industrial partners that the passage of the law represents the progress the US promised on its budget deficit at the meeting of the Group of Five industrial countries in New York in September. The corollary is that the other G5 countries should make good their promises to seek faster economic growth.

But the Europeans have reacted cautiously, some sceptically. So too it seems has the Federal Reserve. While welcoming Gramm-Rudman, the Fed signally passed up an opportunity to underline its confidence when it declined to cut its discount rate in the wake of the law's passage last month.

As an expression of congressional concern over the deficit the budget law is widely welcomed. But many fear that good intentions will not be enough and that the missing ingredient for a budget breakthrough remains a willingness by President Reagan to sacrifice some of his political goals.

Another is the sheer impracticality of that process on the way it allegedly mixes executive and legislative powers through the roles given to CBO, OMB and GAO, is a big uncertainty surrounding the likelihood that sequestering will indeed come into effect.

Another is the sheer impracticality of that process on the way it allegedly mixes executive and legislative powers through the roles given to CBO, OMB and GAO, is a big uncertainty surrounding the likelihood that sequestering will indeed come into effect.

Another is the sheer impracticality of that process on the way it allegedly mixes executive and legislative powers through the roles given to CBO, OMB and GAO, is a big uncertainty surrounding the likelihood that sequestering will indeed come into effect.

Another is the sheer impracticality of that process on the way it allegedly mixes executive and legislative powers through the roles given to CBO, OMB and GAO, is a big uncertainty surrounding the likelihood that sequestering will indeed come into effect.

THE TIMETABLE

THE Budget Reform Bill now known as Gramm-Rudman-Hollings had, in fact, three sponsors: Senator Phil Gramm, a former conservative southern Democrat who was elected to the Senate as a Republican for Texas; Senator Warren Rudman (Republican, New Hampshire); and Ernest Hollings, an influential Democrat (South Carolina) who ran for the party's presidential nomination in 1984.

The bill was proposed on October 3 last year, tied to essential legislation to raise the Federal debt ceiling to permit the Government to carry on financing the budget.

During the bill's tortuous progress through Congress, the Democrats secured an important victory when the House approved amendments protecting programmes for the poor from automatic spending cuts.

As signed into law on December 12, the bill sets a legal target for the deficit of \$17.1bn in 1986 but approves a conflicting requirement to limit automatic spending cuts to \$11.7bn, thus ensuring that the target cannot be met.

Between 1987 and the 1991 fiscal year the deficit target rises steadily from \$144bn to zero. This is the timetable for this year.

February 3: President submits budget to Congress.  
March 1: Deadline for \$11.7bn automatic spending cuts.

April 1: The two congressional budget committees are scheduled to report their own concurrent budget resolution. Congressional action on the resolution to be completed by April 15.

By June 30 the House is supposed to complete action on annual appropriation bills.

August 15: OMB and CBO will take their "omb" of the economy and project a fiscal deficit for 1987.

August 20: OMB and CBO will submit their report to the GAO indicating, if the deficit target is not met in the budget, congress has approved what automatic deficit target.

September 1: Sequestration order calling for automatic spending cuts is issued based on GAO report. Congress can prepare additional cuts to avoid part or all of the sequestration.

October 1: Fiscal year begins.  
October 15: Final order issued aimed at getting deficit down to the Gramm-Rudman target.

## Open standards in computing

THE DESIGN rules which electronic system suppliers must follow in connecting equipment of different types and manufacture is to be connected together simply and economically, might seem of intrinsic interest only to engineers and computer manufacturers.

Yet they are crucial to the development of the information technology industry worldwide; this point will be underlined in two weeks' time when 18 of the leading US computer manufacturers meet to establish a corporation for open systems," adding their weight to a campaign for international interconnection standards already championed by their European counterparts.

It is also supported by European governments, and Leon Brittan, Trade and Industry Secretary, last week reiterated the UK Government's belief that the international standards now being created are a prerequisite for progress and for healthy competition in the information technology business. But while it is impossible to find anybody who disagrees that open systems are anything but a good thing, progress towards their universal implementation in computing has proved difficult.

Complicated  
To allow computers of different origin to communicate with each other, every detail of the connection programme must be exactly right from the physical size of the connecting plugs to the computer software which handles the messages transmitted. For the various official standards bodies to secure agreement from all the interested manufacturers to these detailed technical proposals is time-consuming; the present moves to establish an international standard, known as Open Systems Interconnection or OSI, began in 1974. Of the seven separate sections of the standard, only four have so far been defined completely.

The picture is complicated by the fact that while all the major manufacturers have developed their proprietary interconnection standards to a greater or lesser extent on OSI principles, IBM, the world's dominant computer manufacturer, has a powerful commitment to its own networking rules which it calls Systems Network Architecture, or SNA.

It began building SNA before OSI was initiated and it now has many customers with successfully running computer systems under the SNA rules. That, in

itself, is a considerable technical achievement. OSI and SNA were designed for different purposes. OSI is designed to allow equipment of different manufacture to communicate successfully. SNA is designed to manage interchange of information between computers of similar (that is, IBM) design.

IBM is so powerful in data processing worldwide there are fears that it could establish SNA as a *de facto* standard. That would be bad; competitors would always be at a significant disadvantage. Designing OSI-based equipment to meet IBM's interconnection rules. There is good, however, in the fact that European and now the US manufacturers have sought safety in numbers, abandoning their own proprietary interconnection rules and put their weight behind OSI.

## Black horse for Bootle

Lloyds Bank may not have acquired a whole firm of stockbrokers for its foray into the new world of securities trading, but in Roger Bootle, it has recruited one of the better known economists in the broking fraternity.

Much to the chagrin of Capel-Cure Myers, his employers for the past four and a half years, Bootle, 38, is to become chief economist of Lloyds Merchant Bank. He will be paying particular attention to the gilt market, where Lloyds is to be one of the new primary market makers. He will therefore be working separately from Lloyds' economic adviser, Christopher Johnson, though some interplay is expected.

Bootle has made a name as one of the authorities on index-linked gilts, and for being one of the few stockbroking economists to give his political loyalties to the SDP/Liberal Alliance. Before his spell at Capel-Cure, he worked for the CBI and lectured on economics at Oxford. But he also worked for a time as a money market dealer with Citibank, and suggests that a combination of this experience with academic economics should prove a potent one.

Those with a more cynical view of the City's future reckon that with 29 market makers lining up for a gilt market previously dominated by two, Bootle's knowledge of horse-racing could be even more useful.

High Grade  
If Sam Goldwyn were still alive he'd be spinning in his grave. During enquiries into the business methods of Australian entrepreneur Sir Holmes & Court, conducted last year by lawyers from the US metals giant, Asarco, which Holmes & Court was then trying to acquire, scornful references were

## Men and Matters

It has been published and is currently causing a buzz of excitement throughout Australia's financial Establishment. Lord Grade himself is philosophical about the comparison with Hollywood's past master of the manly virtue, who knew Sam Goldwyn and admired him. He was a brilliant man. But I have never tried to be anyone else but Lew Grade.

Political views  
Though MPs seemed to have other things on their mind—as former BBC chairman Lord Swann noted—peers and permanent secretaries turned out in force yesterday for a Lord's reception for the Rt Hon Jim Hacker, MP, and his sparring partner Sir Humphrey Appleby, of Yes, Prime Minister, fame.

Cash in hand  
Trafalgar House chairman, Sir Nigel Brookes, despite his preoccupation with one of the Channel fixed-link projects, assured a shareholder at yesterday's annual meeting that the company's £167m cash was tucked away in a safe place. "It's not in a sack, it's not in a sock," he drawled. "It's in the bank."

Change pending  
Phillip Cooper, comptroller-general of the Patent Office, slipped into his job almost unnoticed two weeks ago but is likely to adopt much higher profile in the months ahead. Monday's announcement that the office—established in 1852 but antecedents dating back to Tudor times—is to become independent of the Department of Trade and Industry has already met with union protests and has yet to be debated

Bread lines  
Recent light-hearted attempts in this corner of the paper to define the "upper crust" brings this comment from a *Times* reader. "The cream of society is recognised by its thick clots."

Observer  
"No, they haven't let TV cameras into the Commons. It just seems like it."

# NOW!

## SHOW US A DEAL- WE'LL SHOW YOU A BETTER ONE

If you've decided to buy a cellular phone from another company—phone us before you do and we'll explain why a great price doesn't always mean a great deal.



- Immediately available
- Installation within 24 hours
- Same day collection and delivery by experienced fully insured drivers or even quicker, on site installation
- expertly installed for custom built look

## LECT CELLULAR

The most experienced Cellular installer. Call

# 021-643 8899

LONDON (01) 446 8132  
All prices include service and parts. A member of the Direct Dialling Network.



ECONOMIC VIEWPOINT

No longer crying wolf

By Samuel Brittan

THE GROUP of Five Finance Ministers are meeting in London this weekend at a time when it is no longer fashionable to "cry wolf" about the world economy...

The dollar has fallen sharply, but without getting out of control, since the New York meeting in the Plaza on September 22 last year.

The falling trend of oil prices is beneficial both to growth and inflation control in most countries. The world is touched wood—living with the less developed country debt problem.

Moreover, despite the refusal of European and Japanese Governments to undertake a co-ordinated fiscal relaxation, their growth achievements and prospects are not enough to break the back of the stagflation problem—suggest at least continuing recovery.

It would be too good to be true to suggest that the main international worries are the impact of oil and US wages on sterling, or the confidence effects of the Thatcher-Heseltine saga.

My view is that it is just when the alarmists have become so loud that one should look for signs of trouble; but assured—this article will not conclude without its fair quota of warnings.

But first one should examine why the cries of "wolf" have so far proved wrong. As far as the OECD countries are concerned, the now discredited diagnosis of "fading recovery" rested on two pillars.

One was a view that the US recovery would fade away, whether because of a change in fiscal policy, the effects of the dollar over-valuation, or simply because the recovery was historically "old."

The second pillar was the view that the greater part of European growth was based on a stimulus from the US; once that faded, it would be difficult to see where the growth would come from unless countries outside the US applied a fiscal stimulus.

The reality has been very different. In 1984, based on the average of the last quarter of 1984 and the first quarter of 1985, the dollar has fallen by

20 per cent against the mark and the yen. The US merchandised trade deficit is likely as Professor Martin Feldstein predicted in his Financial Times article of January 2, to reach its peak in the course of 1986 and then begin a moderate decline.

The US budget deficit, both actual and structural, should decline by up to half a percentage point as a proportion of GNP in 1986. Looking further ahead, the Gramm-Rudman Bill is, despite constitutional challenges and obstacles, likely to put the US on the path of long-term deficit reduction.

Modestly satisfactory though these developments are from

Table with 3 columns: Year (1984, 1985, 1986), and rows for Real GNP, US, Japan, Germany, OECD Europe, Total OECD. Includes source: OECD Economic Outlook, December 1985.

the US point of view, they mean that little remaining stimulus can be expected either from the US trade or budget deficits.

Yet the latest OECD estimates and forecasts do not show any sign of fading world recovery.

Some reasons for the discomfiture of the alarmists were set out in a speech by the British Chancellor to the Foreign Bankers' Association on December 5, to which little attention was drawn, but which did reveal the development of post-Keynesian thinking among Treasury strategists.

The speech challenged the relevance of the question: "Where will the growth come from now?" It maintained that if "responsible" financial policies were followed in major countries, there would be plenty of self-sustaining pressures for growth.

The New Treasury Doctrine does not quite restore the classical dictum known as Say's Law and assert that supply creates its own demand. But it does expect growth to take place more or less in line with

productive capacity, with some times external and sometimes internal demand in the lead, without constant Government prodding.

The important exceptions are provided by shocks and policy errors; e.g. when an excessive boom has put pressure on capacity, when wages or commodity price shocks have stimulated inflation, or when too-easy money has led to an inventory build-up, followed by destocking.

It is arguable that fiscal tightening to reduce structural budget deficits in Europe can be regarded as an exceptional event or as a "shock" with demand-reducing effects. If so, it is

comforting that deficit reduction outside the US has almost run its course, and little further contractionary pressure is to be expected from that direction.

This is not the place to discuss exact interpretations of the "responsible" financial policies which loom so large in the New Treasury View. But I would supplement it by the Kudlow doctrine.

According to Kudlow, conventional forecasters badly neglect the effects of a financial asset revaluation "on both consumer spending and investment. By this he means the large stock and bond market rallies, both in the US and elsewhere, which have greatly boosted financial wealth, despite this month's setbacks.

Accordingly he forecasts 5 per cent US real growth, much higher than the general consensus. The Fed implicitly respects his prognosis, if not his reasoning, as can be seen

from the way it has shied away from a cut in the discount rate. But its ability to tighten policy is limited by the international desire to prevent a bounceback in the dollar.

The Fed's main contribution to the fall in the dollar has been not so much the very moderate US exchange market intervention. More relevant is its holding of the federal funds rate within spitting distance of 9 per cent, despite an overshoot of both the original 1985 monetary ranges and the rebased ranges introduced in mid-year.

It is this element of Fed stimulus behind the US upturn and dollar decline that leads us to the first worry about the world economy. As Stephen Marris rightly says on the first page of his indispensable Deficits and the Dollar (Institute for International Economics, Washington, 1985): the phenomenal rise in the dollar from 1980 to 1985 was due to a strong rise in investment demand relative to domestic savings in the US, largely because of a massive increase in the structural budget deficit "at a time when there were ample excessive savings in the rest of the world."

A cure for the US imbalance, as Marris says, requires both a sharp cut in the US budget deficit and (in his view) a still greater decline in the dollar.

If the dollar falls without a sufficient decline in the budget deficit, two unpleasant possibilities appear. One is a very sharp rise in US interest rates sufficient to choke off the surplus of domestic investment over savings. The other is an increase in the inflation rate which would make the dollar depreciation partly nominal rather than real.

Even if the optimists are right about the US budget deficit, it still may not fall fast enough to prevent some unpleasant combination of the above possibilities.

None of this means that Mr Paul Volcker, the Fed chairman, should forget the dollar and go back to an entirely domestic monetarist orientation. That would be to leap out of the frying pan into the fire. International portfolio preferences turn against the US in a big way, as Marris fears they will, it would then be possible

to decouple international interest rates from American ones and perhaps even engage in the multilateral interest rate disarmament the Japanese Prime Minister advocates.

But this is certainly not feasible now when US and Group of Five fears are equally balanced between concern about a possible free fall in the dollar and concern to prevent an undesirable rebound to earlier levels.

Marris (and Volcker too) would like fiscal stimulation outside the US, led by Japan and Germany, to take some of the pressure off the US balance of payments as well as underpinning world growth. But Marris admits that, had other countries followed the US lead in deficit finance in 1981-85, it would have led quite soon to a worldwide inflationary boom—although many economists were urging such a course, even while the structural budget deficit in the US was still rising.

My own judgment is that there is a strong case for some temporary Japanese and German fiscal relaxation, if the two Governments desire it, but not such a strong case as to justify other countries trying to impose it on them.

In the long run—in which most of us are still alive—large worldwide budget deficits mean lower savings and less growth. The eventual destination for excess Japanese savings should lie neither in the US, nor in domestic public works forced upon Japan by the Group of Five but in newly industrialised countries, especially in the Pacific basin.

Finally, there is a great opportunity, which could prove a landmark if mishandled, namely the possibility of a really sharp fall in the oil price. On most economic models an oil price fall of 20 per cent would reduce inflation by 1 to 1 1/2 per cent per annum on impact, and raise growth by over 1 per cent in the whole OECD area, with some possibility of a virtuous circle if governments maintain growth of nominal demand.

But, of course, there will be many casualties among countries, companies and banks involved in oil production; and the art of policy will be to prevent these casualties from contaminating the world financial system while not discouraging the highly desirable break-up of the Opec cartel.

SOVIET FOREIGN POLICY

Moscow's new self-confidence

BY PATRICK COCKBURN

THE SOVIET UNION and the US return to the disarmament negotiations in Geneva today with no expectation of an immediate breakthrough on the limitation of nuclear arsenals or the US Star Wars programme which Moscow wants to ban.

But the most significant change in the foreign policy of the super powers since the Geneva summit is the Soviet Union's assertion of visible equality with the US in the Middle East and Asia in a way not seen under President Brezhnev. The Communist Party daily Pravda says, on the contrary, that the only real change internationally is a more interventionist US foreign policy which it terms "new globalism."

It described this last week as a new "assertion of the US right to intervene on a global scale in the affairs of sovereign states, wage undeclared wars and covert and overt subversion against them."

Surprise

Yet the biggest surprise in the Libyan crisis, so far, is not President Reagan's dispatch of the Sixth Fleet to sail off the Libyan coastline or his economic blockade but the strength of the Soviet reaction, significantly stronger than in 1981 when two Libyan jets were shot down by US aircraft.

Nor is this the only sign that the Soviet Union is actively re-entering Middle East politics in a way not seen since President Sadat of Egypt switched alliances from Moscow to Washington in 1974. Later next month Mr Gorbachev will try to reconcile Mr Yassir Arafat, chairman of the Palestine Liberation Organisation, and President Assad of Syria, two of its key allies in the Middle East, when they pay separate visits to Moscow.

Soviet Far East policy is also being conducted with more vigour this week. Mr Eduard Shevardnadze, Soviet Foreign Minister, started a five-day visit to Japan, the first by a Soviet foreign minister for 10

years. Mr Gromyko visited Tokyo just once in his 28 years as foreign minister. Later in the year visits will be exchanged between Mr Shevardnadze and the Chinese foreign minister.

The extent of the change in Soviet foreign policy is masked by exaggerations of its past vigour. President Reagan spent much of his first four years in power saying "the Soviet Union underlies all the unrest that is going on" in the world. Belief in this charge in the White House presumably obscures notice of the degree to which Soviet foreign policy was moribund in much of the world from the mid-1970s on as a leadership crisis paralysed the Kremlin. Its foreign policy was progressively confined to a narrow focus on relations with Washington.

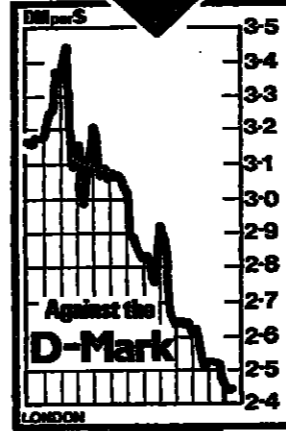
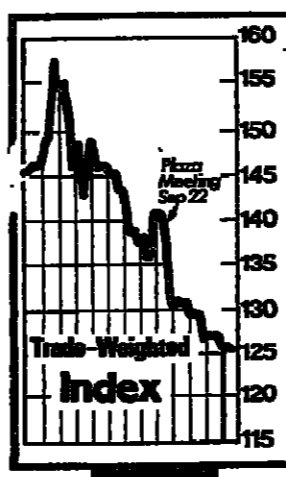
Eviction

By the early 1980s the effects of this were evident around the world. Angola, Ethiopia and Afghanistan did not quite compensate for eviction from Egypt. When Israel invaded Lebanon in 1982 it was item number three on Moscow radio news. The following year Soviet television showed a large picture of the Spanish City of Granada when the US invaded the Caribbean island of Grenada.

The military parity Moscow had achieved with the deployment of ICBMs in the late 1960s was difficult to translate into political power. The Soviet Union's position as a super power and their right to visible equality with the US in world affairs.

Behind the flurry of visits by foreign leaders to Moscow and Mr Gorbachev and Mr Shevardnadze to foreign capitals lies this new assertion of political parity by the Soviet Union. It also implies a certain shift in the balance of power in the world. The consequences of this may turn out to be as destabilising as the expansion of nuclear arsenals which US and Soviet negotiators in Geneva are seeking to limit.

DOLLAR



Inquiry into Lloyd's

From Mr J. Rew Sir—Unless Mr Brittan's inquiry into Lloyd's headed by Sir Patrick Neill (January 15) has the right members and terms of reference it could just look like a way of avoiding discussion about the market during the passage of the Financial Services Bill.

The inquiry team should not be mainly composed of Lloyd's members or people deriving fees from the market. The terms of reference should be drawn so that they include, among other things, a review of the size and composition of the Lloyd's Council, as well as the roles of all its officers; whether it is desirable to retain the one agent — one class of business rule. This rule restricts every name's choice of agent and syndicates; and means by which Lloyd's members might enjoy all those rights and remedies available to shareholders.

At least, names should have the right to requisition a meeting of all a syndicate's members at which resolutions could be put and voted on in person or by proxy; such resolutions once passed would bind all members of the syndicate. Members as diverse as the appointment of auditors, to the fixing of the managing agent's remuneration could be covered in this way.

John Rew, A15 Albany, Piccadilly, W1.

China and GATT

From Mr E. McGovern Sir—Your report (January 13) of China's intention to rejoin the GATT overlooks one consideration which the Chinese take quite seriously. From their point of view although the Nationalist Government was entitled to join the GATT in 1948, by the time of its purported withdrawal in 1950 it was no longer the lawful Government of China, having lost that status with its departure for Taiwan. Consequently in their eyes the present renewal of interest in GATT constitutes a reactivation rather than renewal of membership.

In other circumstances existing GATT members might be prepared to indulge Chinese feelings over what might appear a mere legal technicality. It is possible, however, that such an interpretation would have significant ramifications in US law. Furthermore, the entry of China into the GATT is viewed with considerable doubt by some developed countries, and they will be

Letters to the Editor

determined to ensure that a full entry price is paid.

For both these reasons it seems likely that China will be pressed into accepting a proper accession protocol.

Edmond McGovern, 18, Victoria Road, Topsham, Exeter.

Channel links

From the Editor, Freight Guide Sir—Your correspondents' article (January 13) on James Sherwood's bid to build the fixed link across the Channel omits to mention one of the axes in Mr Sherwood's hand.

His threat last October to close down Sealink operations at Dover should his scheme not be chosen must be particularly worrying to Mrs Thatcher's Government since it was it which sold Sealink to Mr Sherwood.

While the vote-winning capacity of the fixed link is in some doubt, anyway, it would certainly be highly embarrassing if a newly-privatised company is forced to make 2,500 of its seamen redundant because it is unable to compete with a scheme backed by the Government which returned it to the private sector in the first place.

Home improvement grants

From the Financial Director, Glast Sir—The letter from Andrew Warren (January 13) is correct as far as it goes, but it anything understates the problem. The greatest example of the Government's lack of commitment to energy conservation was exhibited in the 1984 Budget when VAT was imposed on home improvements with little regard to the consequences. The most notable casualty was the double glazing market, where vast potential lies for energy saving,

particularly with the recent changes in window technology which have improved the thermal effectiveness significantly.

Rather than rhetoric, a more meaningful indication of the Government's commitment would be positive incentives to householders of the sort that the Irish Government has proved will work. Until such campaigns as conservation of energy are backed up by hard cash incentives, the general cry of "save it" will simply be met by a double glazed look from the electorate.

Discriminating support

From the Director-General, Electronic Components Industry Federation Sir—Underlying everything almost in your survey on investing in Britain (January 8) is the unspoken assumption that all inward investment is a Good Thing, justifying every sort of Government support.

This federation of course does not object to foreign newcomers setting up here, or their own money; nor to inward investors receiving "automatic" government assistance (such as regional development grants) which is equally available to companies already operating here. We accept that where important technology not otherwise available is involved, or established companies are unable or unwilling to meet an important market demand, government support of investment by incoming foreign companies may well be in the national interest.

But where selective assistance is given to an inward investor to set up manufacture of products which could equally well be supplied by established manufacturers, then there is a strong prima facie case that the displacement effect on existing firms and jobs will equal or exceed the benefits of the new investment, and therefore no overall national economic benefit will result from subsidisation with taxpayers' money which could have been beneficially applied elsewhere.

Industry, assured it that selective financial assistance was provided for inward investment only when this was in the overall, long term, national economic interest, and that an important factor in regional policy was the likely effect of a proposed investment on established businesses.

We can only hope that Mr Lamont's successor, and the new Secretary of State, whose passionate belief in regional policy we mentioned in your survey, also accept that selective support of inward investment must be discriminating.

Richard H. W. Bullock, 7-8 Saville Row, W1.

Keep Sunday special

From the Deputy Director, National Consumer Council Sir—Your report (January 10) quotes the "Keep Sunday special" campaign as saying "there are a number of feasible and enforceable ways to maintain regulations on Sunday trading."

What it actually proposes is a system of draconian fines which would be levied either on each illegal transaction or on weekly turnover. The maximum fine at present is £1,000, so a shopkeeper who stayed open a quarter of an hour extra to serve three customers spending a pound each could face fines of £3,000. A store selling forbidden items to 20 customers could be fined £20,000. Such penalties can lead to extra-legal practices and job losses. The DIY retailers' federation makes the point very strongly that Sunday trading, once lost, cannot always be recouped at other times of the week.

Your report also quotes Dr Schuler as saying that the campaign to reform shop hours is promoted by "a group of just half a dozen multiple retailers who expect to gain most out of deregulation." This is what Winston Churchill would have called a terminological inexactitude. The campaign to get rid of our ridiculous restrictions on shops' freedom to open was mounted for many years largely by consumer organisations.

And why? Because we know from opinion poll after opinion poll that this is what most people want.

"Keep Sunday special" is careful not to mention the experience of Scotland, where shops have for many years been free to open on Sundays. There has been no evidence of higher prices, no extra burden on the rates, and no bad effect on the traditional day of rest. By all means, let's keep Sunday special. But not specially ridiculous. Maurice Healy, 18 Queen Anne's Gate, SW1.

Advertisement for Plessey featuring 'buy-British' Japanese breakthrough, Watchman radar systems for China and Oman, and Plessey leads chip growth in Europe. Includes images of electronic equipment and the Plessey logo.



**BURMATEX**  
CONTRACT  
CARPET TILES

**COMMITMENT**  
That's BTR

## TREASURY SCHEME TO CUT DEFENCE EXPENDITURE AND SPEED UP ASSET SALES

# UK spending squeeze planned

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT, IN LONDON

THE BRITISH Government yesterday confirmed its plans for deep cuts in defence expenditure, a squeeze on social security outlays and an accelerated programme of assets sales in order to hold public spending roughly constant in real terms until 1988-89.

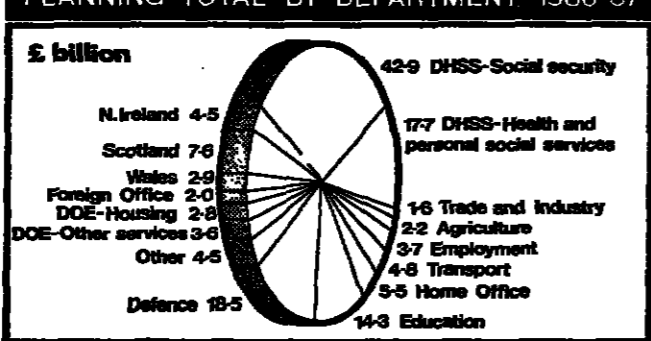
The plans, published in the Treasury's annual Public Spending White Paper (policy document) envisage that inflation-adjusted spending by central and local government in the current financial year will show the first fall since the Government took office.

From now until 1988-89, outlays are projected to rise more or less with price increases, although if asset sales are excluded from the calculations there is a small real increase.

Introducing the plans at a press conference yesterday, Mr John MacGregor, chief secretary to the Treasury, said he was confident that spending in 1985-86 would not overshoot its £134.2bn (£193.3bn) target.

The projections for the next three years, he added, were entirely realistic and he emphasised the progress that the Government had made in improving efficiency to secure better value for money. "This gives good grounds for thinking

PLANNING TOTAL BY DEPARTMENT-1986-87



that actual spending will be contained within the levels now planned," he said.

The spending plans drew fierce criticism, however, from Mr Roy Hattersley, the Labour Party's shadow Chancellor of the Exchequer. He said they showed "callous disregard for the unemployed" and "willful neglect of Britain's future."

Mr Hattersley said that envisaged cuts in capital spending over the next three years showed that calls from both industry and trade unions for more investment in infrastructure had been "arrogantly dismissed."

under official accounting conventions are regarded as negative spending rather than revenues.

The £138.1bn official spending total which the white paper confirms for 1986-87 represents no change in real terms from the current year if inflation turns out at 4.5 per cent as the Government expects.

Actual spending, however, might be more than 1 per cent higher in real terms because this year's figures have been distorted by the after-effects of the miners' strike and next year's will be depressed by higher asset sales.

The detailed spending figures show that defence, which up to now had been shielded from the spending axe, will find its budget cut by 6.8 per cent over the three-year period to 1988-89.

In the social services sector only the National Health Service (NHS) has been exempted from real cuts over the next three years. Charges for items such as prescriptions, spectacles and dental care are likely to rise by more than inflation.

NHS spending is scheduled to rise by 2 per cent in real terms next year and by 1.3 and 1.2 per cent respectively over the following two

years. The Treasury's plans envisage receipts from asset sales of £2.1bn in each of the next three years, which

"Most significant of all, this white paper shows that the Government's proposed tax cuts are now wholly dependent on the sale of national assets such as British Gas," he added.

The Building Employers' Confederation expressed "deep disappointment" with the Government's capital spending plans. "This is a sad reflection of spending priorities in the face of overwhelming evidence of urgent building needs in Britain today," it said.

The Treasury's plans envisage receipts from asset sales of £2.1bn in each of the next three years, which

## Lloyd's accused of pushing up US premiums

By John Moore in London and William Hall in New York

LLOYD'S of London is playing a "funny money" game in the US insurance market, Mr Ralph Nader, the US consumer rights crusader, said in London yesterday.

In an extensive attack on the Lloyd's market, which stunned Lloyd's officials by its ferocity, Mr Nader said Lloyd's was deliberately pushing up insurance premiums in the US and manipulating the US insurance market.

"What we are seeing is a funny-money game," he said. "It is illustrated by the unwritten motto of Lloyd's underwriters that 'there is no such thing as a bad risk - there is only a bad rate.'"

Mr Nader was in London with Mr Robert Hunter, president of the US-based National Insurance Consumer Organisation (Nico). He said actions by Lloyd's in the US were arbitrarily driving insurance prices to excessive levels "and eliminating coverage of risks in an attempt to reduce the rights of insured people to sue manufacturers and other negligent defendants to the lowest Western European common denominator."

That was "highly provocative and highly insulting" to the US.

Nico wants to see greater regulation of Lloyd's and other foreign reinsurance companies, the groups that accept the risks insurance companies cannot carry on their own. It wants an independent insurance market in the US.

Mr Hunter said Lloyd's was largely responsible for the current crisis in the US insurance market, which had forced up premiums so much that many companies were being forced out of business and people were increasingly finding it difficult to get accident cover.

Mr Nader said Lloyd's was heavily handed in its dealings in the US. "What we are seeing is extreme territorial imperialism in the US, which is offensive beyond the power of words to describe."

Nico has already filed a complaint with the US Justice Department over dealings by Lloyd's and had been told that the situation was being examined. Mr Nader said he would be passing over documents and holding discussions with the British opposition Labour Party's trade spokesman. The initiative might become a political issue in the UK.

Lloyd's retaliated at the allegations last night. Officials said the Federal Trade Commission had confirmed that Lloyd's was not being investigated.

The dispute between Lloyd's and the consumer organisation has been provoked by recent dramatic rises in insurance premiums.

All insurers, including Lloyd's, have been facing large claims on liability business, which provides cover to companies against the financial consequences of legal action by employees, and damages arising from legal action because of defective products.

In the US yesterday, Mr Murray Lawrence, deputy chairman of Lloyd's, said it had no intention of boycotting US business. Insurance business from the US accounts for around 70 per cent of Lloyd's total premium income of £3bn.

Underwriters were struggling long and hard on liability business to quote terms that would give their clients something they could live with and at the same time allow underwriters to justify their decision to continue writing such business, which in recent years had produced heavy losses, he said.

## Bonn minister fuels interest rate hopes

Continued from Page 1

Mr Younger, who has been in office for a week, is endeavouring to adopt a low profile over the specific issues which last week provoked the dramatic resignation of Mr Michael Heseltine, his predecessor.

The West German Government has also explicitly rejected an interest rate pact. One senior official described it last week and a "complete non-starter".

The European officials, however, acknowledged that any specific US proposals would have to be carefully considered. Britain, which has found its financial markets buffeted by falling oil prices and was last week forced to raise interest rates, might also want to benefit from the psychological impact on financial markets of such discussions.

Mr Bangemann's statement yesterday sent share and bond prices sharply upwards in London.

## THE LEX COLUMN

# Fast forward for Dixons

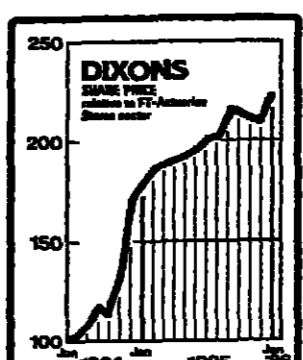
Yesterday's statement on international rates by the West German Economics Minister was in the best tradition of public arm-twisting. Even if the US Administration really is committed to bringing down dollar rates, as Mr Bangemann suggests, there is no evidence that this enthusiasm is shared by Mr Paul Volcker. And it is still the Federal Reserve Board that wears the monetary trousers.

### Dixons

Only the grumpiest bear of oil prices and interest rates could fail to warm to profits growth in retailing of 140 per cent, but Dixons' quite astonishing set of interim figures, showing earnings growth of 43 per cent on £30m of pre-tax profit for a half-year that did not include Christmas sales, gained rather modest reward for beating even the most sanguine expectations. The share price, up over 30p at one stage, fell back to close 23p up at 918p. It is, at least, pleasing symmetry that the three-for-one scrip re-establishes the Dixons price at the exact level from which it launched its bid for Currys 15 months ago.

The dramatic re-rating of Dixons in the course of the bid arose from the belief that one of the ablest managements in UK retailing could work magic for Currys. What was not clear then was the extent to which Currys' relative weaknesses - in financial and property management, marketing, opportunity buying and design - corresponded exactly to Dixons' strengths. And what is only just now emerging is that parallel retailing, in the sense clear to the clothing theorists of the Burton kidney, has even greater potential in the highly fragmented electrical market where Dixons' chief opposition was, in effect, Currys.

But until Dixons produces statements less Garbo-like in their reticence, one can only assume that the two chains' target customers really are separate; and that the volume growth, at 15 per cent for Dixons and 22 per cent for Currys, is billowing out of the shops on higher gross and net margins all round. Clearly there has been substantial gross margin improvement in Currys' brown goods through the introduction of Matsui - Dixons has a nice line in japonaiserie for its own-label goods; but the real revolution will come a year from now when re-



Styling of the Currys' shops starts raising sales densities to the level of Dixons Retail.

The paying down of the debt associated with the bid, itself an outstanding achievement, should see net gearing down to 20 per cent by the year-end; more pertinently, it should permit pre-tax profits for a year of comfortably over £70m after an excellent Christmas. That a business growing its earnings nearly four times faster than the market should enjoy a premium rating of only five points probably owes more to market vertigo than common sense; and little better than a market multiple for the year to spring 1987 is rather implausibly assuming that consumer spending will fall apart just before a general election.

### Trusthouse Forte

Trusthouse Forte treats shareholders in much the same way as it handles hotel guests. Surprises, nice or nasty, are to be avoided at all costs and customer satisfaction is ensured by regular increases in assets, earnings and dividends. Yesterday's results for the year to October, showing a 19 per cent increase in pre-tax profits to £129.6m, were as wholesome as a THF steak. What they lacked was any real excitement and the market, having digested the solid fare on offer, left the shares unchanged at 152p.

A strong improvement in THF's UK hotel division was only to be expected, given the rise in occupancy rates across the industry, and THF has done better than most at extracting higher margins. While the volume growth will be nothing like so spectacular this year, the group has plenty of scope to push up re-

lised room rates and the portfolio is being gradually extended through the development of the Post House chain and the introduction of Little Chef Lodges. European hotels have rewarded heavy investment with a 64 per cent improvement in sterling profits, leaving the US hotel operation as the only laggard. THF is still too small in the US to enjoy economies of scale and generate brand loyalty, making North America the obvious area for aggressive growth. A sizable acquisition would at least add an exciting ingredient to the THF share price which, assuming all-in pre-tax profits of £145m this year, looks correctly valued on a prospective multiple of just over 14 times.

### Westland

The City's regulators can scarcely be blamed for taking a judiciously low profile with regard to the odd goings-on in Westland equity. The evidence from the West end of town is that anyone who comes into close proximity with the helicopter company stands to have his hat sliced off by a flying rotor blade. And, as far as can be judged, no one has yet contravened the letter of either the Takeover Code or the Companies Act.

The recent share dealing in Westland is, however, unsatisfactory in several respects. The obligations of an institutional shareholder have always been stronger in the case of a reconstruction than in the event of a takeover, admittedly for the compelling reason that the alternative to co-operation is receivership. Yet those obligations continued to apply even in the case of Dunlop; shareholders for the most part backed the incumbent management until their board was able to reach agreement with BTR. Westland has now changed all that and, while the institutions need not feel guilty about selling their investment for far more than it is worth, the precedent is not a healthy one.

Nor is it desirable that the beneficial ownership of a substantial stake in the company should remain a mystery until after the extraordinary meeting which is supposed to determine the company's future. The identity of Mr X must, when revealed, have a bearing on the whole Westland story. To that extent, it is a material fact and should be disclosed.

## Military surrounds Lesotho Government headquarters

BY ANTHONY ROBINSON IN JOHANNESBURG

TROOPS AND armoured cars of the Lesotho para-military force yesterday surrounded the government offices housing Prime Minister Chief Leabua Jonathan and other ministers. Reports of a coup to topple the Government, however, were denied by Mr Desmond Sisishe, the Foreign Minister.

Witnesses in Maseru, the capital, said a convoy of 20 military vehicles arrived outside the modern government complex around noon and forced civil servants out of the building but left ministers at their desks.

Correspondents and a Reuters photographer in the capital reported hearing gunfire but the government radio continued with its normal programme and Mr Peter Rosling, the British High Commissioner, while confirming the presence of armed troops around the government complex, said that otherwise the capital "was absolutely quiet and normal."

The latest developments in Maseru follow two weeks of sustained pressure on the capital by the South African authorities, who on January 1 instituted tight border controls on all traffic entering and leaving the country.

Lesotho, a small, mountainous kingdom of 1.4m inhabitants, is totally surrounded by South Africa and the Transkei homeland. It depends upon South Africa for all its electricity, while all supplies and exports pass through South African territory, including oil, which is shipped in by rail, and other essentials.

Its main source of income is the reprinted earnings of the 130,000 emigrant mineworkers employed on South African mines and the many other workers employed legally and illegally in the republic.

Telephone communications with Lesotho were reported to be "out of order" by the South African telecommunications authority.

South African pressure on Lesotho is aimed at forcing the Government to accept a security treaty, similar to those with Mozambique and Swaziland, that would effectively prevent the African National Congress (ANC) from using its territory as a transit route or haven.

This week it bowed to South African pressure and agreed to extend the existing liaison committee between the two countries and participate in a special security sub-committee.

Talks between the two sides are expected to take place shortly aimed at fleshing out the agreement and removal of the blockade, which has led to queues over 2 km long on the main approach roads and a severe shortage of oil, medicines, food and other essentials.

Sir Patrick Moberly, the British Ambassador to South Africa, yesterday met Mr Ron Miller, the Deputy Foreign Minister, in Cape



Town to call for a lifting of the blockade and dialogue between the two sides. This was in response to an appeal by Chief Jonathan to the British and US governments.

Relations between Pretoria and Maseru have been tense for months and reached a low point on December 19 when a commando force crossed the border and killed five South African refugees, of whom five were members of the ANC, and three Lesotho citizens.

South Africa has denied responsibility. **Court backs miners' rights, Page 3**

## Gorbachev in move to extend N-test freeze

THE SOVIET UNION yesterday extended its freeze on nuclear tests by three months and produced a 15-year timetable for the complete elimination of nuclear weapons, writes Patrick Cockburn in Moscow.

Mr Mikhail Gorbachev, the Soviet leader, in a statement timed to coincide with the reopening of the Geneva disarmament negotiations with the US, today proposed "a step-by-step and consistent process of ridding the earth of nuclear weapons."

Mr Gorbachev said he hoped to "break the dangerous trend whereby the momentum of the arms race is greater than the process of negotiations."

In Washington, President Ronald Reagan welcomed Mr Gorbachev's proposals and said they would be studied closely by the US and its allies.

The Soviet Union introduced a unilateral ban on Soviet nuclear weapons tests for six months last July which expired at the beginning of the year. President Ronald Reagan has consistently refused to join the nuclear test ban.

Mr Gorbachev said that the Soviet test ban could be further extended if the US joined in.

The Soviet plan for the elimination of nuclear weapons consists of three stages. In the first five to eight years the number of nuclear weapons capable of reaching each

other's territory will be halved so that both the US and the Soviet Union will be reduced to 6,000 nuclear warheads.

This would be followed by a second five to seven-year stage from 1990 during which the US and the USSR would eliminate all tactical nuclear weapons with a range of up to 1,000 km. In the final stage between 1995 and 1999 all remaining nuclear powers would have begun to reduce their nuclear arsenals and the US would have abandoned President Reagan's Strategic Defence Initiative (star wars).

In his statement Mr Gorbachev warned that such a limitation was only possible if "the US mutually renounce the development, testing and deployment of space strike weapons." This, agreed the superpowers, would proceed to the elimination of all intermediate-range missiles, both ballistic and cruise, in Europe. Britain and France would agree not to increase their nuclear armaments.

By 1999 all nuclear weapons would be eliminated and verification that they were no longer deployed would be carried out by on-site technical teams, Mr Gorbachev said.

The Soviet proposal is consistent with the policy of Mr Gorbachev since he became leader of the Soviet Union last year.

The three-month extension of the test ban is new

## Heseltine says London tried to 'silence' Rome

Continued from Page 1

Sir Geoffrey Howe, the Foreign Secretary, to the British ambassador in Rome asking him to tell Prime Minister Bettino Craxi that Westland was a private company and that it was for shareholders to decide on the relative merits of the proposals. That followed Prime Minister Craxi's public support for the European consortium on the previous day.

Mr Heseltine further alleged that on December 23 a Downing Street official had tried to stop a broadcast by himself on a BBC radio programme. He said that he had agreed to broadcast only after he had learnt that Mr Brittan had done so despite the Cabinet's agreement the previous Thursday that there was to be no public statements.

On several crucial points Mr Heseltine's version directly contradicted that of Mrs Thatcher, in particular over a series of meetings in December.

Mrs Thatcher had defended her record in the affair, arguing that allegations that the Government had not discussed the issues in sufficient depth or in a timely way were absurd. She listed nine separate occasions when there were collective discussions and said ministers had been given ample opportunity to express their views.

Mrs Thatcher said the Govern-

ment's approach throughout had been guided by the decision that no national-interest considerations existed to require the mounting of a public sector rescue bid and therefore a solution could not be dictated to the company's directors and shareholders.

She also claimed that the Government had been ready throughout to encourage the possibility of a European solution, although Mr Heseltine claimed that this was being frustrated in December both by Mrs Thatcher and by Sir John Cuckney, the Westland chairman.

The Conservatives have fallen to third place in the latest Gallup poll. Mrs Thatcher's party, with 29.5 per cent, trailed the Social Democrat/Liberal alliance with 35 per cent and Labour with 24 per cent.

● Bridget Bloom in London writes: Mr George Younger, Britain's new Defence Secretary, has been in touch with key European defence ministers to reassure them of his belief in the continuing importance of defence collaboration despite the political crisis in the UK over the Westland affair.

Mr Younger, who has been in office for a week, is endeavouring to adopt a low profile over the specific issues which last week provoked the dramatic resignation of Mr Michael Heseltine, his predecessor.

## Fed bank risk plan

Continued from Page 1

ly covered by the across-the-board bank capital requirements. Many banks, facing increased competition and thin margins on their traditional lending activities, have turned to these other businesses to boost profits.

According to some estimates, the issuance of bank standby letters of credit - guarantees that a bank customer will fulfil a contract - by the nation's 100 largest banking groups increased by 25 per cent in 1984. Because of this, most bank analysts have predicted that all the leading money centre banks could be forced to add to capital under off-balance-

sheet risks into a capital adequacy formula.

The regulators' concern has also been heightened by the deterioration in the quality of many banks' loan portfolios, evidenced by soaring loan write-offs and the substantial increase in bank non-performing, or problem, loans, which has only just begun to subside.

In order to meet the existing 6 per cent capital requirement, imposed only last year, and in anticipation of the latest proposed changes, many of the leading US banks have been adding aggressively to their loan loss reserves

**World Weather**

Area	Temp	Wind	Cloud	Temp	Wind	Cloud	Temp	Wind	Cloud
Amster	12	SE	5	14	SE	5	16	SE	5
Amst	12	SE	5	14	SE	5	16	SE	5
Amst	12	SE	5	14	SE	5	16	SE	5
Amst	12	SE	5	14	SE	5	16	SE	5
Amst	12	SE	5	14	SE	5	16	SE	5
Amst	12	SE	5	14	SE	5	16	SE	5
Amst	12	SE	5	14	SE	5	16	SE	5
Amst	12	SE	5	14	SE	5	16	SE	5
Amst	12	SE	5	14	SE	5	16	SE	5
Amst	12	SE	5	14	SE	5	16	SE	5

**Banking Executives of outstanding ability**

Currently Earning £30,000-£100,000

Oggers and Co. are Management Consultants specialising in executive recruitment. We are currently extending our contacts with executives of outstanding ability and achievement in all fields of city activities, and in particular with specialists in Corporate Finance, Fund Management and International Capital Markets. We would like to hear from people who feel that in developing their careers over the next few years, they should not rule out the possibility of moving to a bigger job in another organisation.

As a first step, please write giving a brief summary of your background and experience to Eve Wernly.

Any approach will be treated in the very strictest confidence.

**Oggers**

MANAGEMENT CONSULTANTS  
Oggers and Co. Ltd, One Old Broad St., London W1X 3TD, 01-498-8811



Why executive demand boom may be finished

BY MICHAEL DIXON

IF BRITAIN'S Government did not have certain other worries at the moment, I dare say it might feel uneasy about the figures in the table alongside. They show how the United Kingdom executive employment market has moved over the past five years, as measured by the Hay-MSL consultancy's quarterly counts of senior jobs advertised in leading British journals.

Reading down from the top of the table shows, for each year, how many posts were advertised for each of eight broad groups of staff and by what percentage demand for them was up or down by comparison with the year before. The groups are research, design and development; marketing and sales; production; accounting and finance; computing; general management; personnel; and the catch-all category "others". It includes all senior staff not fitting the previous seven descriptions, such as buyers, company lawyers, economists and assorted internal consultants.

Sandwiched between the thin rules about two-thirds of the way down the table, we have each year's total covering all types of managers and key specialists. The four lines at the bottom show the number of posts advertised and changes in demand for each of the quarterly periods January to March, April to June, July to

Table with 5 columns: Type of work, 1985, 1984, 1983, 1982, 1981. Rows include R & D, Marketing, Production, Accounting, Computing, General mgt, Personnel, Others, and Total.

September, and October to December.

Looking solely at the annual totals, the UK's ruling Conservatives might well see no reason for further discomfort. Despite the worsening shortage of jobs for other kinds of workers, the market for executive-types has grown every year from 1981 which began with demand for them at its lowest since Hay-MSL started its checks in 1959.

The trouble is that the more detailed figures for 1985 suggest that the boom at the top end of the British employment market may at last be over.

One such gloomy sign lies in the quarterly counts at the bottom of the table. It was in the June to September period of 1981 that the advertised demand changed from decline to improvement, and it kept on improving every quarter for the next four years. With the coming of June last year, however, the market suddenly turned down again.

Another gloomy sign is the drop between 1984 and 1985 in the market for high-grade people in research, design and development, and in sales and

marketing. Rises and falls in demand for those kinds of staff are believed by many people to be lead indicators of the climate for industry in general.

What is more Hay-MSL's Oastler Michie, who has had a leading part in the counting exercise since it started, says there is yet more evidence that the UK executive employment market is headed for a fairly lengthy decline.

"Over the past decade the average drop in the demand between the first quarter of the year and October-December has been about 7 per cent. The fall between the two periods last year was no less than 26 per cent. On the evidence of the

graphs we have been keeping for the past quarter century, it seems pretty clear that we are into another downward cycle.

So although I'd very much like to believe otherwise I've little doubt that job prospects for executives are going to get worse over the next couple of years or more."

Perhaps the most disturbing sign for Mrs Thatcher and her Cabinet colleagues is the trend in executive recruitment in high-technology industry.

In the last quarter of 1983, Mr Michie says, the number of senior jobs advertised in the UK by high-tech companies was 2,550. In October-December 1984 the number was down to 2,038. During the final three months of last year it plummeted to only 775. "It looks as though what the Government was looking on as the front runner of industrial recovery may be turning out to be the Trojan Horse," he adds.

Fortunately, the signs are less discouraging in the other three industries which the consultancy now keeps track of—energy, retailing, and food, drink and tobacco.

Top jobs advertised by energy companies numbered 830 in October-December 1983, 967 in the corresponding quarter of 1984 and 920 in the closing period of last year. The equivalent figures for retailing were 180, 205 and 265, and for food, drink and tobacco 239, 233 and 244.

International Fund Manager Highly Competitive Package

We are acting on behalf of the investment banking arm of one of the world's major banks.

This new appointment within the Bank's Investment Division is part of a firm commitment to expansion, brought about by the growth of funds under management and the early emergence of a first-class performance record.

As a Senior Fund Manager, the appointed candidate will hold direct responsibility for client portfolios invested in international bond and equity markets. Reporting to the Head of the Division, he/she will also help to formulate the Group's investment strategy and play an important part in marketing for new funds.

A demonstrably successful track record in international fund management, self-motivation and excellent communicative skills are important prerequisites of appointment. Ideally, applicants will be in their early 30's and possess a relevant degree.

For the right individual, the reward will be excellent, both in terms of remuneration and career development.

In the first instance, please contact Anna Robson at the Investment Division, 39-41 Parker Street, London WC2B 5LH. Telephone 01-404 5751. Strictest confidentiality is assured.



Michael Page City

International Recruitment Consultants London Brussels New York Sydney A member of the Addison Page PLC group

BADENOCH & CLARK

FUND MANAGEMENT INTERNATIONAL EQUITIES £15,000 to £30,000

A number of organisations, including Merchant Banks, Insurance Companies and independents, are looking for international fund managers with experience in European, American or Far Eastern Markets.

The more junior positions would suit ambitious analysts, whilst more experienced applicants keen to explore possibilities elsewhere would be welcome. Remuneration packages should be competitive enough to attract candidates of the highest calibre.

FIXED INTEREST SECURITIES £NEG

A leading International Merchant Bank, with an enviable reputation in portfolio management, requires an additional executive to manage a fund of fixed interest securities.

Interested applicants should have at least two years experience, gained in a major house, as an Analyst/Junior Fund Manager with the ability and personality to manage their own funds in the short term. This position also offers the opportunity to broaden one's marketing skills in the UK and the USA.

For a confidential discussion, please contact Christopher Lawless, Stuart Clifford or Jane Wilson.

Financial Recruitment Specialists 16-18 New Bridge St, London EC4V 6AU Telephone 01-583 0073

Shepherd Little & Associates Ltd

Banking Recruitment Consultants

MONEY MARKET DEALER to £25,000

A European bank developing its trading activities at present, is seeking an additional money market dealer. They require candidates with a minimum of two years trading experience especially covering C.D.'s LIFF, and FRA's.

EXECUTIVE - CUSTOMER DESK £20,000

To join the Treasury Division of a major Merchant bank where the requirement will be to develop business with corporate clients by way of selling FX services and taking deposits. Applicants in the age range 25/35 years must be able to exhibit an established track record in this specialised field and should have an interest in futures, options, swaps etc.

FOREIGN EXCHANGE DEALER to £25,000

A new position has been created in the dealing room of an expanding international bank located in the centre of the City. The post is open to ambitious young dealers with at least two years market experience, familiarity with European currencies would be an advantage.

FRN TRADERS/SALES (TRAINEES) £10,000

Excellent opportunities exist to train on the trading or sales desks of one of the City's leading investment houses. Candidates will be graduates with a business-related degree, hopefully Mathematics or Economics. We would be pleased to hear from people who feel they have the ability to make it in the fast moving world of a City dealing room.

There is an additional requirement for either an FRN trader or sales person with a minimum of only six months experience - negotiable salary.

Ridgway House 41/42 King William Street London EC4R 9EN Telephone 01-626 1161

Fund Management

International Fixed Interest

Major Investment Co.

Our Client, part of one of the strongest and most rapidly growing merchant and investment banking groups, seeks two additional Fund Managers aged 25/32 to join their specialist Fixed Interest and Currency team.

UK based-Currency Specialist

The person they seek for this new job will work initially in the area of Money Market funds management. He/she will need a minimum of two years' experience of Fixed Interest Securities and Money Market Instruments.

The person appointed will work with an existing senior manager and will rapidly take over and develop Client relationships. It is important that the person appointed can work within a closely knit team where business is expanding dramatically.

Tokyo based-Fixed Interest

This is an unusual opportunity for a Fixed Interest specialist who need not necessarily to date have experience of the Pacific Basin. The person appointed will work in Tokyo as the Fixed Interest Manager within a new and small team, which will both manage Japanese investments and advise Japanese clients on world-wide portfolio management.

In both cases generous salaries are envisaged, together with a considerable local allowance and housing in the case of the Japanese vacancy. There are the normal banking benefits, such as cars, mortgages etc.

Please write in the first instance to Colin Barry, Senior Partner, quoting reference 709, at Overton Shirley and Barry, Prince Rupert Street, 64 Queen Street, London EC4R 1AD. Telephone: 01-248 0355.

Overton Shirley & Barry INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

MANAGING DIRECTOR

c£55,000 + BONUS + SHARE OPTION

The world's largest international TV news agency seeks a new Managing Director. Visnews supplies daily TV news coverage from every part of the world to some 425 broadcasters in 83 countries, mostly by satellite. Other activities include a broadcast facilities service, provision of international satellite communications, and a major newswire archive. The Headquarters are in London.

The main task over the next 3-5 years will be to lead a phase of significant investment, innovation and profit growth.

The Managing Director will report to the Chairman of Visnews, who is also General

Manager and Deputy Managing Director of Reuters, which has recently become the majority shareholder. The minority shareholders are the national broadcasting organisations of Australia, Britain, Canada and New Zealand.

Candidates must have an outstanding record of managing a successful business, most likely in a major TV organisation, with experience of international business and the use of communications technology an advantage.

Please apply in writing to Michael Nelson, General Manager, Reuters Ltd, 85 Fleet Street, London EC4P 4AJ.



KILLEARN ESTATES LIMITED MANAGING DIRECTOR

Energetic, imaginative, experienced surveyor, with established connections with Estate Agents and others on a wide geographical basis, and with a track record of putting together good deals, is required as MANAGING DIRECTOR of a recently formed, but well-connected, property development company, with sister companies in project management and general industries.

Working with an established team, key responsibilities will include: project identification, professional team selection, financial negotiations, on time, cost-effective, quality construction, client identification.

Excellent rewards include, to salary with profits bonus on individual projects, company car and equity participation within maximum two year proving period.

Please send Resume to: THE KILLEARN CORPORATION LIMITED 37 Queen Anne Street, London W1M 9FB

KILLEARN

TRADING COMPANY IN LONDON

seeks experienced professional in DOCUMENTARY CREDITS CONTRACT ADMINISTRATION Excellent remuneration for the right candidate. Write Box A0029, Financial Times, 10 Cannon Street, London, EC4P 4BY

FRN Sales/ Trading

Salaries Negotiable

Several of our clients, all major names in the Securities Market, require ambitious sales people and traders, with varying degrees of experience in the FRN Market. Salaries and benefits will be negotiable according to experience and the requirements of the market.

To discuss these positions in complete confidence, please call or write to Tom Kerrigan, 2nd Floor, 20 Wormwood Street, Bishopsgate, London EC2M 1RQ. Tel: 01-588 4303.

TOM KERRIGAN ASSOCIATES LTD

EXECUTIVE JOB SEARCH

Are you earning over £20K and seeking a new job?

The Connaught Services have helped more executives to find new appointments than any other organisation - mainly in the unadvertised vacancy area.

Contact us for a free confidential meeting. If you are currently abroad, enquire about our EXPAT EXECUTIVE SERVICE.

32 Savile Row London, W1 Connaught 01-734 3879 (24 hours)

The Executive Job Search Professionals

KITCAT & AITKEN STORES/FOOD RETAILING ANALYST

Further expansion of our successful retailing team has created a vacancy for an additional Analyst. He or she should ideally have some experience in the sector but, more importantly, should be strongly motivated and a proficient communicator, both verbally and through written work. Contact Richard Ratner or John Chaworth

U.K. EQUITY SALES EXECUTIVE

The continuing growth of our institutional business, helped by the expansion of our analysis of specialist sectors, has created the need for an additional sales executive to market the growing output of respected research. We would like to talk to sales executives at all levels of experience and are looking in particular for motivation and lucid communication.

Contact Michael Oliver or Nicholas Spearing The remuneration packages will be highly competitive and will be geared to the achievements of the individual

KITCAT & AITKEN

17th Floor, The Stock Exchange, London EC2N 1HS Tel: 01-688 6280

SOFTWARE SALES REPRESENTATIVE

Futures and Options

Investment Support Systems, a leading developer of computer software for institutional futures and options traders in the U.S. needs an aggressive sales representative in London. A rewarding position awaits the right candidate who knows the futures/options industry and who can sell to large financial institutions. This is a ground-floor opportunity leading to management of our planned expansion to Europe.

We will be in London for interviews in late January. Send us your resumes stating specific, relative experience and compensation requirements.

Write Box A0025, Financial Times 10 Cannon Street, London EC4P 4BY



## Special Financial Projects

### Central Surrey

Our client, an £80m division of one of the UK's best-known Groups, is a world leader in the manufacture and marketing of a range of medical equipment and services. It has interests in the UK, Europe, the USA and Japan.

Following the promotion of the present incumbent, we have been retained to recruit a financial executive whose role will be actively to assist line management in ensuring that maximum profitability and a healthy financial infrastructure are maintained.

A graduate qualified accountant aged around 30, you are currently working either for the audit or consultancy arm of a major practice, or in a progressive and expanding industrial/commercial enterprise. You must be positive, outgoing,

### to £25,000+car

self-reliant and flexible (considerable travel will be involved); you must also have well-developed communication skills and a natural ability to come to terms quickly with a number of diverse operations.

As in other recent instances, you will be expected to justify promotion within two or three years into a more senior financial/commercial role. Full relocation expenses will be paid if necessary.

Please send a detailed C.V., including contact telephone numbers, in strict confidence to Peter Wilson FCA at

Management Appointments Limited  
(Search & Selection Consultants),  
Finland House, 56 Haymarket,  
London SW1Y 4RN.  
Tel: (01) 930 6314.



## Marketing Capital Markets

### Southern Europe

The Merchant Bank subsidiary of a major US bank currently seeks an experienced individual to join its Southern/Eastern Europe and Middle East marketing group. Reporting to an Executive Director, the role includes full responsibility for developing business in Southern Europe. This will include marketing bonds, loans and swaps to major corporates, government and financial institutions. The ability to market for business as well as structure and price deals in fixed and floating rate products is essential.

In their late 20's/early 30's, candidates must have a thorough knowledge of swaps, syndicated lending and hybrid instruments. Experience of developing client relations in the Italian market is a prerequisite as is an ability to speak Italian plus one other European language fluently, in addition to English.

Candidates with the ability to generate business in this geographic area should contact Christopher Smith on 01-404 5751 or write to him, enclosing full curriculum vitae and quoting reference 3588, at 39/41 Parker Street, London WC2B 5LE.



### Michael Page City

International Recruitment Consultants—London Brussels New York Sydney  
A member of the Addison Page PLC group

## CLIFFORD - TURNER

### SEEK SOLICITORS AND BARRISTERS

Clifford-Turner seeks qualified lawyers for our expanding corporate practice.

If you are already a corporate lawyer but feel that you are too specialised, too supervised or feel you can improve your prospects with a move we can offer you wide experience, more responsibility and the opportunity to develop your career within our firm in your own way.

If you have experience in other areas of practice but little or no experience in corporate matters and are prepared to change direction we would like to hear from you.

We are a large City of London firm with all of the advantages which this can offer - exciting and satisfying work - good rewards - the opportunity to serve abroad - an international clientele - excellent career opportunities. The firm has a friendly and informal atmosphere and in order to maintain flexibility and allow individual expression we have created a number of self contained practice groups each of which has a character of its own and all of which are dedicated to serving our clients and solving their problems. If you wish to pursue a career as a corporate lawyer why not come to talk to us and see if we suit you.

Please apply, with a curriculum vitae, to:

Peter Brooks  
Clifford-Turner  
Blackfriars House  
19 New Bridge Street  
London EC4V 6BY

CLIFFORD-TURNER  
London, Paris, Brussels, Amsterdam and Singapore  
Associated firms in Riyadh, Tokyo and Madrid

## Scrimgeour Vickers - Vickers da Costa

### Change = Opportunity

It is our view and the view of our parent company Citicorp that to succeed over the next few years any major securities group will need a combination of research knowledge and placing ability both domestically and internationally. We already have most of the constitutions for success through our well respected United Kingdom and Far Eastern research, Group Stock Exchange memberships in London, Hong Kong, Australia and, shortly, Tokyo. Additionally there is strong representation elsewhere in the Far East plus an associated company in the United States.

What we need, however, is a significant number of capable and ambitious people to help us achieve our goals.

We outline below, examples of, three positions that are currently open.

#### UK Institutional Sales

We are looking to expand our UK Institutional Sales team. Candidates should have at least four to five years' experience either in sales, research or fund management. Applicants should be able to interpret and communicate high quality research to a wide range of Institutional clients.

#### Japanese Sales

With the acquisition of a Tokyo Stock Exchange Seat, we are looking to expand our overall sales efforts on Japanese equities. We are therefore seeking sales executives who would like to convert from their present specialisation onto the Japanese market. No previous experience of Japan is necessary as full training will be provided but a quick and adaptable mind certainly is. A research background would be helpful and any successful candidate would be expected to travel.

#### Institutional Sales to Europe

An enlarged team servicing Continental European clients on the United Kingdom requires a further member. Candidates will be aged between 27 and 37 with a sound knowledge of French and possibly German. Previous experience should include selling based on the use of high quality research material. Candidates for this position may at present be working in a Continental Institution.

In all cases remuneration packages will be competitive and will contain an element of gearing to profitability. In the first instance please send a curriculum vitae in confidence to

The Senior Partner  
Scrimgeour Vickers & Co  
20, Copthall Avenue  
London EC2R 7JS

The Chairman  
Vickers da Costa Ltd  
Regis House, King William Street  
London EC4R 9AR

If your career pattern to date does not fit any of the three positions above but nevertheless you are looking for change send us a curriculum vitae anyway

London Hong Kong Tokyo New York Los Angeles  
Geneva Melbourne Singapore Taipei Gurnsey Philadelphia Sydney Paris

## High Calibre Financial Consultants for High Net Worth Investors

Merrill Lynch require a number of Financial Consultants to introduce high net worth investors and service their investments in line with agreed financial objectives.

These positions are all London-based, although in some cases New York training may be necessary.

Applicants should be in the 25-35 age range with a good level of academic achievement. They must also be ambitious self-starters with a professional and sophisticated approach to offering investment analysis advice.

Preference will be given to candidates with previous experience of providing financial services to high net worth individuals.

Current registration with an NYSE member firm would also be an advantage.

This is an excellent opportunity to join a dynamic and growing international company with the top rated research team on Wall Street.

Please apply in writing giving details of your career to date to: Mr Jack Landan, Merrill Lynch, Bowater House, 68 Knightsbridge, London SW1X 7LN. All applicants will be treated in the strictest confidence.



Merrill Lynch

## Jonathan Wren

### Manager, Aerospace £27,500

Our Client, a Major British Merchant Bank, seeks to appoint an additional Manager within its major asset financing department which already has a significant record of success in aviation finance. Responsibilities will include marketing to airlines, initially in Europe and the Far East, and to manufacturers with the emphasis on the generation of fee earning business as advisor or arranger of finance, whilst also co-ordinating marketing to the Aerospace Industry for the rest of the Bank.

The successful candidate will probably be aged 26-32, have a Degree and probably a professional banking qualification, and will have been working either in the aerospace department of a US or Clearing Bank for a minimum period of two years or, exceptionally, could currently be working in Sales Finance for a manufacturer or, in the Treasury Department of an airline. Experience of ECSD and/or Airbus financing, including the negotiation and completion of transactions is essential, and some knowledge of leasing would be helpful.

A salary of £27,500 is offered, together with car, performance related profit sharing and usual banking benefits.

Please contact Mark Forrester.

All applications will be treated in strict confidence.

SYDNEY

Jonathan Wren  
Recruitment Consultants

170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

## Foreign Exchange Dealer

City £20-25,000 + bonus + benefits

L. F. Rothschild, Unterberg, Towbin International, a New York-based investment bank, is seeking a foreign exchange dealer in his/her mid to late twenties to work with their successful London-based team. Applicants should have at least two years' active experience in the foreign exchange markets, be innovative, highly motivated and have the ability to work independently as well as with a global team.

A salary of up to £25,000 per annum will be offered commensurate with experience and there will be substantial bonus potential. Write in confidence with full C.V. and daytime telephone number to Charlotte Shipston, L. F. Rothschild, Unterberg, Towbin International, Clements House, 14-18 Gresham Street, London EC2V 7JE.



L.F. ROTHSCHILD, UNTERBERG, TOWBIN INTERNATIONAL

## Management Consultant to work in Scotland's Financial Sector

HAY-MSL is a member of the HAY Group, the world's leading human resources consultancy, with 94 offices in 26 countries. In the UK we work with over 2000 clients covering every area of the economy in addressing and resolving important human relations issues. We now seek a new consultant to join our growing Glasgow-based Scottish practice. Initially the work will focus on organisation and remuneration in the financial sector and will involve close co-operation with HAY-MSL colleagues in the City.

Candidates should have gained managerial or professional experience in the financial or public sector, or possibly in professional practice. Almost certainly a good honours degree in a numerate subject will be required. The specified age range is from 30 to 40. We offer a competitive base salary plus a substantial profit-share based on company performance. Benefits include a quality car and free BUPA.

Please send a succinct CV - in confidence - to Bill Brackenridge, quoting reference 15916.

HAY-MSL Management Consultants,  
39 St. Vincent Place, Glasgow G1 2ER.  
The appointment is open to men and women.

## Investment and Administration Co-ordinator

£15,000 Devon

An established independent company providing a comprehensive range of investment and financial services to a world-wide private client base is seeking an articulate and able person to assume this key role.

The candidate appointed will deal with administrative matters relating to client portfolios involving business records, implementation of investment decisions and preparation of reports and proposals to clients concerning investment valuations, assurance quotations and personal taxation matters. Other duties will cover responsibility for company accounting records and assistance in the operation and development of the computer systems.

Candidates aged 27-40, should ideally offer experience in investment, accountancy and insurance. Personal qualities considered essential are good appearance, a high degree of numeracy and literacy coupled with the ability to use initiative and resolve anomalies.

An attractive salary and benefits package will be negotiated according to experience and will include assistance with relocation where applicable. Write with full career history to:

Mrs. A.F. Towney, PER, Cobourg House, Mayflower Street, Plymouth PL1 1SG.



Britain's Largest Executive Recruitment Consultancy

## Investment Accountant / Administrator SEVENOAKS, KENT

We are a leading international mutual life insurance and pensions group, with assets in excess of £7,000 million. Swiss Life Pensions Ltd., a successful company within the group, based in Sevenoaks, provides the fund management services on behalf of our UK pension fund clients.

Due to expansion the need has now arisen for an Investment Accountant/Administrator reporting to the Investment Manager. The successful candidate's responsibilities will include a section of the administration and accounting for our managed funds; to be a responsible member of the team developing the internal computerised systems and for the preparation of management reports and annual accounts.

We are seeking candidates who are either Investment Administrators or qualified Accountants with relevant experience in financial services. This is a challenging position in the company and the attractive remuneration package will include an assisted mortgage.

Please write or telephone for an application form to:

Mrs. S. Clifton,  
Swiss Life Pensions Ltd.,  
Swiss Life House, 99-101 London Road  
Sevenoaks, Kent TN13 1AX  
Tel: (0732) 450161

A member of the Swiss Life Group

Swiss Life

Commodity Futures Account Executives  
DISAPPOINTED WITH YOUR CURRENT PAYOUT?  
Generous terms available for CBOT/CFTC registered traders with proven production.  
For full details please telephone:  
A. E. SWETTEL 01-555 5181  
M&G FUTURES LIMITED



# UK Merchant Bank Capital Markets — Origination —

We are acting for one of the leading UK Merchant Banks which is currently seeking to recruit a high calibre individual for their rapidly expanding capital markets group.

The successful applicant aged 24-27, will be a graduate with 2/3 years' experience in an international or merchant banking environment.

Candidates must have the potential to transact business at senior levels within the financial and commercial sectors. A formal credit training and foreign language ability would be distinct advantages.

The remuneration package is negotiable depending on experience and ability. In the first instance please contact Jonathan Williams or Christopher Smith on 01-404 5751 or write to them, quoting ref. 3591, at Michael Page City, 39-41 Parker Street, London WC2B 5LH.



**Michael Page City**  
International Recruitment Consultants—London Brussels New York Sydney  
A member of the Addison Page PLC group

## PRIVATE CLIENT STOCKBROKING Liverpool

We wish to recruit Members of the Stock Exchange with private client experience.

If you are interested in a move to an independent firm with early Partnership prospects, please write in the strictest confidence to—

Box A0026, Financial Times  
10 Cannon St, London EC4P 4BY

## MIKE POPE AND DAVID PATTEN PARTNERSHIP

BANK RECRUITMENT  
CONSULTANTS

Director—Europeans £570,000  
Operations £240,000  
Chief Dealer £230,000  
Senior Cost Dealer £230,000  
Lending Officer (UK Market) £220,000  
Eurobond Settlements £220,000  
Manager £220,000  
Credit Manager £220,000  
Finance Manager £220,000  
Investment Manager £220,000  
Please phone:  
MIKE POPE OR CHRIS WINGFIELD  
01-247 8314  
Bank Chambers, 2nd Floor  
214 Broad Street, London EC2

## Investment Securities & Corporate Trust

Career Opportunities

Neg. Salary + Banking Benefits

ROYAL TRUST is one of the world's largest trust companies and has been established in the UK for over 50 years. As a recognised bank we offer a range of services to both corporate and private clients.

Continuing expansion of our Investment, Corporate Trust and Global Custody areas has presented first class career opportunities for people with 2-5 years experience of one of the following functions—

- Client administration/valuation/fees
- Issues (both New and Capital)
- UK Share Registration/North American Transfer Agency
- VDU input/documentation preparation.

Candidates male or female should be aged 20-30 with relevant experience gained with an appropriate financial institution.

Salary will be negotiable according to age and experience with a comprehensive range of benefits which include mortgage subsidy, pension and life assurance, private medical cover, free lunch facility, season ticket loan scheme and flexible working hours.

Please write with career details to date showing current salary to—

Linda Cobbold, Assistant Manager—Personnel,  
The Royal Trust Company of Canada,  
Royal Trust House,  
48-50 Cannon Street,  
London EC4N 6LD.



## Treasury Support Interesting opportunity in an exciting and dynamic environment

Citicorp Investment Bank Limited is expanding its Treasury operations and diversifying its traded instrument base. This has led to an increase in the volumes and complexities of transactions handled by the Treasury support area. This expansion has given rise to a vacancy for an individual to develop the support function for these sophisticated products.

The successful candidate will be capable of understanding the intricacies of these treasury products, be adaptable and a self-starter. Experience in a Treasury related environment, preferably with a major Investment Bank, together with a degree in a business or science

related subject would be a distinct advantage.

Familiarity with computer based systems both at a personal computer level and of mainframe installations is also desirable.

An attractive compensation package with the usual banking benefits will fully reflect your experience and qualifications.

Please send full career details to Mr P Mardon, Personnel Department, Citicorp Investment Bank Limited, 335 Strand, London WC2.



## Fund Management—Fixed Interest

£15,000-£20,000 plus excellent benefits

With funds under management totalling several billion pounds, our client is one of the City's most influential institutions and has a considerable presence in the financial services market. In line with current expansion plans, they wish to appoint a capable person to join the small Fixed Interest Investment team.

This represents an excellent opportunity for a career-minded individual willing to accept responsibility, and to contribute to the development of investment strategy. With direct control over more than £1½ billion of investments, the team manages a variety of types and sizes of portfolios. Although most of these investments are in sterling, there is also a significant overseas content.

Ideally, candidates should be graduates in their early to mid-twenties with a minimum of two years' experience of the fixed interest market, gained with a stockbroker or an institution.

Please contact Anna Robson, Investment Division, 39-41 Parker Street, London WC2B 5LH or telephone 01-404 5751. All replies will be treated confidentially.



**Michael Page City**  
International Recruitment Consultants—London Brussels New York Sydney  
A member of the Addison Page PLC group

## Major UK Stockbroker Equity Marketing

One of the City's most important firms is seeking to expand the level of service which it supplies to its UK and international client base. Intent on maintaining and improving its high market share, our client has a first class research reputation and prides itself on an aggressive and professional image.

As a key member of a well respected team you will be responsible for liaison with the research analysts, distribution of information to clients and the transaction of business. Opportunities exist in both specialist and generalist areas.

Preferably a graduate aged between 24 and 30, you are a team player motivated by both individual and

corporate success. With several years' experience as an analyst or salesman you are self-confident, articulate, numerate, have sound analytical skills and enjoy working under considerable pressure. Possessing a strong but flexible personality, you have the ability to relate to colleagues as well as clients.

Remuneration, together with a comprehensive range of benefits, will be highly competitive. To apply please ring or write, in complete confidence, to Matthew Wright of Cripps, Sears and Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Telephone: 01-404 5701.

**Cripps, Sears**

## Manager

International Bank,  
Leeds

Not less than £22,500  
+ car

The Hongkong Bank Group, with its subsidiaries and associates, ranks among the fourteen largest of the world's banking groups.

The Bank's branch in Leeds has developed successfully since being opened in 1982 and its Manager is now being promoted to the Group's UK head office.

The new Branch Manager will continue the development of new business across the full range of wholesale and retail banking services. There is particular emphasis on the financing of international trade. The Manager will also market the parent Group's range of international services.

The successful applicant will be aged 35 to 45 with an exemplary track record in banking, especially in the creation of new business with an international bias. Experience of developing the growth potential of an independent branch will be an added advantage.

Candidates must be able to demonstrate the ability to negotiate at a senior level with potential corporate clients, Government agencies and other international banks.

Remuneration will be at least £22,500 with a car and generous banking fringe benefits. Career development prospects are excellent.

Full career and personal details by 29th, January to:

International Recruitment Officer  
The Hongkong Bank Group  
99 Bishopsgate  
London EC2P 2LA

**Hongkong Bank**  
The Hongkong and Shanghai Banking Corporation



## Money Market Economist/Journalist for two new regular market commentaries

Security Pacific Corporation is a Los Angeles-based financial services company with assets of \$50 billion. Its principal subsidiary is Security Pacific National Bank and it has branches in 24 countries around the world.

We need a creative and practical Economist/Journalist who can originate his/her own research and analysis of foreign exchange and capital markets. The successful candidate will make a key contribution to two new reports being published and will also be expected to provide support to the overall marketing effort of the bank.

Reporting to the editor, you will ideally have skills gained from direct practical experience of international financial markets—perhaps in a dealing capacity. You must be able to analyse and interpret factors affecting these

markets, in addition some experience of international treasury management will be useful.

You should be able to write fluently and with flair whilst working under the pressure of deadlines. Ideally you are likely to have a degree, or higher degree, in international economics or other relevant qualifications.

Salary will be competitive and based on your experience. The appointment will also attract a full range of banking benefits.

Career details to be sent to:

Patrick J. O'Hara  
Vice President  
Security Pacific  
National Bank  
2 Arundel Street  
London WC2R 3DF



## APPOINTMENTS ADVERTISING

£41 per single column  
centimetre  
and  
£12 per line  
Premium positions will  
be charged £49 per  
single column centimetre  
For further information  
call

on 01-248 4864  
or  
TREVOR PUNT  
on 01-236 9763

## Director Marketing

£70-£100,000

Asset-Finance

Package

On behalf of a leading UK Merchant Bank, we seek a highly professional Graduate Banker, (M.B.A., A.C.A., or LL.B. preferred), aged 30-36 years, whose extensive involvement in negotiating high value leasing transactions at senior level has resulted from first class innovative tax efficient pricing and structuring skills. The ability to identify business opportunities, and the technical creativity to formulate individual financial packages of a highly complex nature, will identify the successful candidate. The salary indicated is designed to attract exceptional expertise.

## Head of Sales Aid/ Vendor Programmes (Start-Up)

Neg £40-£70,000

Package

A leading UK Merchant Bank seeks from applications highly motivated individuals who can clearly demonstrate an exceptional track record in this specialised and competitive field. The appointed candidate will assume total responsibility for the development and management of this area—including new business development, systems administration, etc., with the support of an in-house accounting/administrative team. Age range about 35 years.

## Vice President— Lease Marketing

Neg £30-£40,000

+ Benefits

We seek a US Credit trained Graduate Banker, aged 28-36 years, well versed in the pricing and structuring of UK asset finance transactions in the £1M-£10M price range. A knowledge of Sales Aid/MSP/Vendor Programmes would prove a distinct advantage.

For the above 3 vacancies please contact Brian Gooch or Jill Backhouse.

## Corporate Finance

To £50,000 + Bonus

We have been requested by a number of Major Merchant Banks to assist in the recruitment of experienced UK Domestic Corporate Finance specialists, to join their expanding, highly successful departments at Manager/Assistant Director level. Candidates are likely to be aged 25-32 years, and will have a minimum of 2 years relevant experience gained within a reputable House.

## International Equities

To £40,000

The expansion of the International Equities operations of those Merchant Banks which are integrating with Brokers and Market Makers, has provided a requirement for experienced research, sales and jobbing staff, covering all Overseas markets. We shall be pleased to hear from appropriate applicants.

## Unit Trust Marketing

£30,000

On behalf of two Clients we are seeking experienced Managers to take responsibility for marketing specialised Unit Trust products. Candidates should possess a significant knowledge of the professional intermediary market.

For the above 3 vacancies please contact Mark Forrester

## Portfolio Manager

c.£30,000

A Major International Investment Bank wishes to appoint an additional Investment Manager. Applicants will have a sound background in equity research, and match the dynamic and innovative character of the existing team. Particular expertise is required in the management of European and UK equities and Eurobond portfolio's. This is a first class career development opportunity.

For the above vacancy please contact Roger Steare or Bryan Sales.

Tel: 01-623 1266

SYDNEY

**Jonathan Wren**  
Recruitment Consultants

HONG KONG

170-Bishopsgate, London EC2M 4LX. Tel: 01-623 1266



# Head of European Operations

**Major International Bank**  
City based  
c£50,000 + benefits

Due to promotion, an opening now exists within the European Headquarters of a major International Bank for a Head of Operations.

The role will be wide ranging covering overall supervision and co-ordination of back office support, including financial control. In addition the appointment carries responsibility for the development and application of computer systems and hardware, ensuring that these are properly driven for business needs and compatible with other parts of the group.

As part of the top management team, the critical area of experience which will distinguish the outstanding candidate will be a sound understanding of international banking activities. Career prospects are excellent for those not only with the necessary expertise to undertake this important role, but also with flexibility and commitment to contribute to this challenging environment. Compensation will not be a limiting factor for the right candidate.

As advisors to our client, we will fully respect the confidentiality of any initial approach from those interested in discussing this further.

Alternatively, please write with a full CV quoting reference MCS/6065 to Alannah Hunt, Executive Selection Division, Price Waterhouse Management Consultants, Southbank Towers, 32 London Bridge Street, London SE1 9SY

Price Waterhouse



# SYSTEMS LIAISON MANAGERS

c£22,000

## INTERNATIONAL BANKING

Standard Chartered is one of Britain's major international banks, with gross assets exceeding £28,000 million and more than 2000 offices in over 60 countries.

We wish to recruit two Systems Liaison Managers to join diverse areas of our Organisation, namely International Banking Division and Africa Department, London.

These new posts will be responsible for the strategic planning of business applications systems within the relevant area and for co-ordinating their development with our Technical Services Division. The jobs will include giving advice and guidance to line management on matters related to systems and technology.

The ideal candidates will be aged 30-35 years, will have a programming/systems analysis background gained, preferably, in an international

banking environment, and proven ability in leading teams on specific computer projects. Experience of mainframe computer configurations, preferably IBM, is essential for the post within International Banking Division; experience of working with large systems teams and installing business systems in overseas areas is essential for the Africa Department post. Applicants for this latter post must be willing to travel overseas on trips of short duration. A general banking background is highly desirable for both posts.

Remuneration will be c£22,000 plus the usual generous banking benefits. Good prospects for future development exist for the right candidates.

Please apply, with a comprehensive c.v., to Jean Collins, Assistant Manager, U.K. Personnel Services, Standard Chartered Bank, 38 Bishopsgate, London EC3N 4BE.

Standard Chartered

# REGIONAL CREDIT MANAGER

North West Regional Office  
Liverpool Negotiable to £20,000

Girobank is continuing to increase the range of services it offers business customers and one important recent development has been the opening of Regional Offices to establish the bank on a more localised basis with the objective of attracting new business within the areas served by the Regional Offices. The bank has a commercial lending function but is seeking to extend lending facilities through its Regional Offices and wishes to strengthen its managerial expertise in this field by appointing a Regional Credit Manager dealing with corporate business in Liverpool.

Reporting to the Regional General Manager but with a functional responsibility to the Commercial Lending Manager, the Regional Credit Manager will be responsible for all aspects of credit analysis and lending facilities in the region and will provide professional advice on all commercial credit matters.

The manager appointed will have several years bank/lending experience together with a full knowledge of all aspects of credit analysis, lending operations, securities and legal requirements.

He/she will also have good inter-personal and negotiating skills and possess a professional qualification in banking.

Conditions include a contributory, index-linked pension scheme, 5 1/2 weeks annual holiday and assistance with relocation expenses where necessary.

Please apply in writing outlining career progress and current salary and how you meet the requirements of the position to: Peter J Farrer, Head of Management Development, Girobank plc, Grille Road, Bootle, Merseyside, G1R 0AA.

NATIONAL Girobank

INTERNATIONAL INTERCHANGE Corp. Agency (UK) Ltd is a leading financial services company. We want experienced (min 2 yrs) sales people to promote a revolutionary financial and trading service. Full training and high monetary rewards for the right people. For applications please see (0990) 2880.

# SAVORY MILLN

SAVORY MILLN LIMITED  
MEMBERS OF THE STOCK EXCHANGE

Savory Milln will be market makers in a selected list of UK equities during 1986 and we are therefore looking for dealers with relevant experience. Our Company is already "dual capacity" in its international trading and is in a strong position to take advantage of changing market conditions in the build up to "Big Bang".

Our involvement in all major continental European markets is substantial and we now wish to extend our market making activities into UK Equities.

Please contact Hugh Hughes on 01-588 1170 or write to him at 3 London Wall Buildings, London EC2M 5PU.

A member of Arbutnot Savory Milln Holdings Limited

## What would Aneurin Bevan say?

This South London Teaching Authority is undergoing fundamental changes and our staff in service priorities has resulted in a range of key objectives being identified to ensure the services provided reflect the needs of the local community.

Our new senior management structure will require individuals with highly developed management and interpersonal skills, from the public or the private sectors, committed to accepting personal responsibility for achieving an effective and efficient health care service. Something Aneurin Bevan would surely approve of.

### Head of Corporate Planning c£24,000

Your main role will be to develop corporate planning techniques, policies and information systems to enable the Authority to determine future requirements and plan new services and capital developments. This will involve convincing existing management of the need to re-think priorities for health care provision and the future use of its land and buildings. You will also have overall responsibility for co-ordinating the development of computer services and for the works and estate management functions.

You should be professionally qualified and have gained at least 5 years senior management experience including strategic planning.

Please quote Ref FT/CP1.

### Head of Financial Services c£24,000

Main areas of responsibility include maximising the Authority's annual budget of £69m and developing financial policy, information and budgetary systems to ensure effective control of resources. A key task will be the introduction of management budgeting.

An accountancy qualification is essential, together with at least 5 years' broad based experience at senior management level. This experience must have embraced modern financial and management accounting techniques in a multi-disciplinary organisation.

Please quote Ref FT/FS2.

A comprehensive information package is available from Mr J.M. Pollard, Personnel Administrator, Camberwell Health Authority, King's College Hospital, Denmark Hill, London SE5 9RS. Telephone 01-274 6222 extension 2755/2756. Please quote appropriate reference.

Informal enquiries will be welcomed by Mr J.V. Collinson, District General Manager on the above number, extension 2729.

Closing date 7th February 1986.

CAMBERWELL HEALTH AUTHORITY

## Financial Planning and Analysis

London to £25,000 + car

Our client is a highly successful, international services company involved in different markets throughout the world. Continued expansion of this £billion turnover organisation has created the need for a perceptive analyst to fulfil a major financial control role. Reporting to the Group Controller, tasks will cover corporate planning, strategic analysis and the financial monitoring of subsidiary performance; this will include financial control and acquisitions. Additional investment and portfolio analysis plus MIS development will also be within the remit. A graduate with an MBA, you must have proven experience of implementing

change, persuasive communication skills, and a decisive, determined approach. Preferably experienced at large company commercial or industrial level, you will probably be in your late 20's to early 30's. The salary will be negotiable from £20,000 for candidates with good experience, to £25,000 for the exceptional candidate. An extensive benefits package includes a company car, BUPA and contributory pension scheme. Interested candidates should write to Andrew Sales FCCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref. 296, at 39/41 Parker Street, London WC2B 5LH.

Michael Page Partnership  
International Recruitment Consultants  
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney  
A member of the Addison Page PLC group

## Head a New Venture

City Based Package c £35k

Our client is a leading British stockbroking firm. It seeks an exceptional individual, probably aged late 30's, to head a new research team and to expand the operation both in the UK and internationally. The rewards package is negotiable.

The new team will utilize a unique approach to investment research based on advanced statistical and computer-based technologies. This will be available both to major institutional clients and in-house. As team head the brief is to develop and direct the analysis and research functions, market research products in the City and elsewhere and to be responsible for overall management and control. This is a key post and reflects a major strategic investment by the firm.

Candidates will be highly-educated, probably possess an MBA and possibly a professional accounting qualification. Experience of financial analysis and appraisal and/or business strategy gained in management consultancy, merchant banking, venture capital or the investment institutions is essential. The appointee will also have situational management skills of a high order. A record of sustained achievement to date is an additional prerequisite. This appointment represents an outstanding opportunity for the able and ambitious.

For full job description write in confidence to Mark Lockett at JC&P Selection Consultants, 104 Marylebone Lane, London W1M 5FU showing clearly how you meet our client's requirements, quoting ref. 9119/FT.

JC&P

John Courtis and Partners

## HongkongBank Limited

### Corporate Finance

HongkongBank Limited is the European merchant banking arm of the HongkongBank Group. Recent business expansion has created opportunities in our Corporate Finance department.

We invite applications from ambitious graduate chartered accountants, preferably aged 24-28, who would like to make their career in corporate finance.

Salaries will be attractive and the package will include normal merchant banking benefits.

Applications, including full personal and career details, will be treated in strict confidence and should be sent to: C. E. Fiddian-Green, HongkongBank Limited, Wardley House, 7 Devonshire Square, London EC2M 4HN.

## Unit Trusts - Major New Launch Marketing Executive City Based to £25,000 basic + bonus + car

Our client is a subsidiary of one of the world's most prestigious banking groups.

This new appointment will principally involve selling to your existing professional intermediary connections, whilst becoming increasingly involved in marketing, advertising and new product development. Your success will assure your progression into management.

Aged between 25 and 35, you must

Lloyd Chapman Associates

have thorough relevant experience and a proven sales track record, probably gained within a major unit trust group and operating in the Home Counties.

The excellent banking benefits package includes a generous mortgage subsidy, non contributory pension, family medical cover, free life assurance, bonus and car.

To apply, please telephone or write to Fiona Law, quoting Ref: 9901.

International Search and Selection  
160 New Bond Street, London W1Y 0HR  
Telephone: 01-406 1670

## CAREER OPPORTUNITY

Quick-thinking exceptional person needed to join the team at the start of a new venture using a well-established successful company as its springboard. Full training and support will be given but you must be essentially a self-starter. Applications are invited from graduates aged 25-30 with a working knowledge of the City.

You should be a good judge of people, have the confidence to project your personality in a marketing role, and highly articulate on paper. This is an opportunity to use your wide-ranging talents and be directly rewarded for your individual contribution.

Please apply with full curriculum vitae and a contact daytime telephone number to Box A0080, Financial Times, 10 Cannon Street, London EC4P 4BT

### GERMAN-SPEAKING BANKER?

JONATHAN WREN INTERNATIONAL OFFERS YOU THE CHALLENGE OF BECOMING AN

### INTERNATIONAL BANKING RECRUITMENT CONSULTANT

- TRAVEL - MARKETING - BANKING - HIGH INCOME - JOB SATISFACTION -

We are a leading overseas banking recruitment consultancy and have recently established offices in Sydney and Hong Kong with further expansion planned for 1986. Our corporate style encourages a team effort in a friendly, stimulating and professional environment and our clients are among the top-ranking banking institutions in Europe, the Middle and Far East and Australasia.

To complement the development of our global network and to meet the increasing demand for our services, we are seeking to recruit two additional, highly-motivated consultants for our European team based in London who will concentrate on the recruitment of banking executives in German-speaking Europe. We would also be interested to hear from candidates who may not have the required language ability but would like to be considered for similar positions within the Company.

To develop new relationships and maintain our existing ones in Germany, Luxembourg and Switzerland, you must have total command of the German language and an understanding of the

business climate. Ideally aged between 26 and 33, you will have sound marketing abilities and a knowledge of international banking, gained from a minimum 5 years' experience in banking or from a relevant consultancy. Obviously, good communicative and interpersonal skills are also necessary.

This is a unique opportunity to accept the challenges of a fast-moving, demanding rather than conventional career. In addition to an outstanding level of job satisfaction, good prospects and regular overseas travel, you may also anticipate an attractive remuneration package consisting of a base salary plus a generous performance-related bonus - potentially unlimited. On-target earnings average between £20,000 and £30,000 plus car.

Please telephone or write with full career details to: Roy Webb, Managing Director, Jonathan Wren International Limited, 170 Bishopsgate, London, EC2M 4LX. Tel: (01) 623 1266. Telex: 8954673 WRENCO.

London · Sydney · Hong Kong

**Jonathan Wren International Ltd**  
Banking Consultants

### Jonathan Wren

#### CRÉDIT AGRICOLE



Crédit Agricole is a growing force in International Banking. In view of the Bank's expansion in London, applications are requested for the following positions in three Departments.

#### Credit Analysis / Marketing Support

£13-16,000 (plus benefits)

Self confident, ambitious applicants of Graduate calibre are sought, aged 25-30 years, with a proven track record in Corporate analysis and familiarity with basic banking products.

A good understanding of credit documentation and the necessary skills to write and present reports to relevant levels will be required, allied with a desire for progression to a Marketing role.

Fluency in French would be an added advantage.

Contact Richard Meredith

All applications will be treated in strict confidence.

**Jonathan Wren**  
Recruitment Consultants  
170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

### CREDIT CONTROLLER to £25,000+ full banking benefits

Our client is a new company, a subsidiary of a leading American investment bank, that has been established with strong capital backing to operate in the home loans market.

The successful candidate will assume full responsibility for loan book maintenance, credit checking and collections, which will include correspondence and liaison with solicitors, agents and borrowers. He/she will also be expected to produce an accurate and timely management information package and to develop and train a small team of staff.

Candidates (aged 30/45) will be highly experienced and self-motivated professionals with a minimum of five years previous experience and fully conversant with all aspects of consumer credit checking, county court judgements and the law relating to property management. They must also be able to demonstrate a high level of success in their careers to date and well developed interpersonal and management skills.

For further information please write with full C.V. or telephone Martin Krajewski in strictest confidence.

FIRTH ROSS MARTIN ASSOCIATES, WARDGATE HOUSE, 58A LONDON WALL, LONDON EC3M 5TP. TELEPHONE 01-628 2441

**Firth Ross Martin**

Financial & Professional Selection Consultants

#### EUROBOND TRADER

This fast growing Merchant Bank, already involved in the FRM, YEN and ECU Markets, seeks a \$ Straight Trader to complement an existing two man team. The successful applicant will have a minimum of one year's relevant experience and have the ability to make a valued contribution when this house becomes a professional Market Maker in the next 6 months. Remuneration is dependent on the ability and potential of the individual but will comprise a basic salary and bonus.

#### EUROBOND TRADER

A European bank with a small but effective trading presence wish to recruit a Canadian and US Domestic Trader to augment their existing capabilities. They want at least 18 months trading experience in these products as well as the ability to "position" for their Straight and Convertible side. The onus of this position is more of a "Portfolio Management" than of a "Market Making" type role, but nevertheless be of a sufficiently complex and demanding nature to be attractive to high calibre applicants. In addition we have a number of openings in Eurobond or multi-currency SALES with many of the major houses. Generally we are looking for a track record but we do have some openings for 6 months plus experience, specifically in the "FRM" markets. Should you wish to contact FTB to discuss specific opportunities, in this year of change, or generally, then do not hesitate to contact Stephen Dossan on 600 1211, on 0206 57881 (evenings and weekends).

FTB RECRUITMENT  
128/129 Chesapeake, London EC2  
01-406 1211

### Top Executives earning over £25,000 a year

Can you afford to waste over £2,000 a month in delay? Minster Executive specialists in solving the career problems of top executives. The Minster programme, tailored to your individual needs and managed by two or more partners, is your most effective route to those better offers, 75% of which are never advertised.

Our clients have an impressive record of success; many blue chip companies retain our services in the redeployment of their top people. Telephone or write for a preliminary discussion without obligation—or cost.

**MINSTER EXECUTIVE LTD**  
28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309/1085

#### LEADING U.S.

#### INVESTMENT BANK

Due to the expansion of our international securities business we are inviting applications from trainee dealing staff. Some Stock Exchange experience desirable. Please reply in strictest confidence to Box A0028, Financial Times, 10 Cannon St., London, EC4P 4BY

#### APPOINTMENTS

#### ADVERTISING

#### APPEAR EVERY

#### THURSDAY

for further information contact

TREVOR PUNT  
on  
01 236 9763

### LONDON DIRECTOR

TOWARDS A COMMON PURPOSE AT WORK

Prior to the retirement of the present Director, the Industrial Participation Association wishes to appoint his successor.

Established for over 100 years the Association has a special role in the industrial and commercial life of this country. Membership includes successful companies, large and small as well as leading Trade Unions. Dedicated to employee involvement the Association also seeks to influence Government and EEC legislation.

Applicants must provide identifiable experience of participation policy and practice; will preferably hold a good university degree or a professional qualification, e.g. finance or law; have proven management skills, the ability to think constructively with imagination and to communicate well with other people.

Preferred candidates will already live in or near London and be aged 40/50 years.

Please write enclosing concise CV and salary expectation to:

Sir Richard O'Brien  
Chairman  
IPA, 85 Tooley Street  
London SE1 2QZ



### INVESTMENT OFFICER

Major European bank is seeking an active person with research/sales experience to promote the London Stock Market to Continental institutions.

Applicants ideally aged 25-35 and fluent in French, should have a strong personality to maintain existing contacts and expand the client base.

The post offers good career prospects.

All applications will be treated in the strictest confidence.

Write Box A0024, Financial Times  
10 Cannon Street, London EC4P 4BY

# CJA

## RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH  
Tel: 01-588 3588 or 01-588 3576  
Telex No. 887374 Fax No. 01-638 9216

A demanding appointment - scope to move up to position of Information Systems Manager in 18-24 months



### COMPUTER SERVICES MANAGER - BANKING

LONDON

£28,000 - £38,000 + MORTGAGE

LEADING INTERNATIONAL BANK ASSETS APPROACHING £5 BILLION

We invite applications from candidates, aged 32-40, who have acquired at least 7 years' practical operating systems experience and at least 3 years either heading up, or as the number 2 of the operating systems within a user environment in a major corporation or financial institution. Reporting will be to the Information Systems Manager. Responsibilities will cover, through a team of 30+, the day-to-day efficient running of the Bank's computer systems and the provision of systems technical support, involving the updating, improvement and maintenance of the systems software. The ability to plan effectively, manage and set commercial priorities and meet deadlines is important. Initial remuneration negotiable, £28,000 - £38,000 + car, subsidised mortgage, contributory pension, free life assurance, free family BUPA, assistance with removal expenses if necessary. Applications in strict confidence under reference CSM4395/FT, to the Managing Director: CJA.

Opportunity to establish the Euro Trading function and to head up team in 1-2 years.



### SHORT TERM EURO SECURITIES TRADER

CITY

£25,000-£35,000 + CAR

MERCHANT BANKING ARM OF PRIME NORTH AMERICAN BANK

We invite applications from traders in their mid to late 20's, who must have had at least 2 years' successful Euro instrument trading experience. The selected candidate, who will head the trading function and report to the Department Manager, will be responsible for trading the following instruments: Euronotes, Euro CDs and Euro Commercial Paper. Another key aspect of this appointment will be the formulation of dealing strategies and policies for this merchant banking team. Essential qualities are well developed trading skills plus the motivation to start up the function. Compensation by way of high basic salary and performance related bonus is likely to be in the range £25,000-£35,000 plus company car and a full range of banking benefits. Applications in strict confidence under reference EST17412/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA.

Key appointment for self-motivated, results orientated credit controller. Scope for increased responsibilities and career development abroad.



### CREDIT AND COLLECTIONS MANAGER

S.W. LONDON

£18,000-£24,000 + CAR

FINANCIAL SERVICES SUBSIDIARY OF A LEADING US MULTI-NATIONAL

Expansion means that our client now invites applications from candidates, aged 30-45, who are members of the Institute of Credit Management with at least 8 years' demanding and significant credit and collection experience, of which 3 years will have been spent in a management role. As collections are for both international and domestic markets, a thorough knowledge and experience of European and Middle Eastern collection instruments is essential. The successful applicant will have full responsibility for the management of an effective collection service for £15-20 million of receivables from approximately 2,500 accounts using an on-line real time system. Of key importance is the ability to motivate a team of up to 10 staff, setting their targets and measuring their performance. Other aspects of this appointment are: UK representation on the company's European Receivables Council (requiring some European travel); providing professional and appropriate recommendations on actions to be taken with difficult accounts; chairing monthly review meetings at all group companies. Initial salary negotiable £18,000-£24,000, plus company car, contributory pension, free life assurance and removal expenses if necessary. Applications in strict confidence under reference CCM17425/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA.

Prospects for further responsibilities particularly with the growth of traded options.



### SETTLEMENTS - FINANCIAL FUTURES/ EQUITIES/BONDS

CITY

£12,000-£15,000

FURTHER EXPANDING CLEARING AGENCY OPERATION OF FOREIGN BANK

Applications are invited from candidates, aged 25+, who must have had significant settlements experience either with a stockbroker or other financial institution, including 2 years in LIFFE markets using the 'Classic' system. The selected candidate who will report directly to the Managing Director, will be in a key position to develop this important function within a small but expanding environment. Initial salary negotiable £12,000-£15,000, BUPA, season ticket loan and other benefits. (Ref. SFF17427/FT).

This same bank also seeks two further settlements specialists: one for the INTERNATIONAL BONDS area (Ref. SIB17427/FT) and one for INTERNATIONAL EQUITIES (Ref. SE17427/FT). For both appointments salaries will be specially tailored and in the Equity area there is scope in due course to develop into sales.

Applications under the appropriate reference above will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA.

35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEFAX: 087374. FAX: 01-638 9216

ORGANISATIONS REQUIRING ASSISTANCE ON RECRUITMENT, PLEASE TELEPHONE: 01-428 7530

## THE ROYAL LONDON UNIT TRUST MANAGERS LIMITED

### REGIONAL SALES EXECUTIVE UNIT TRUSTS

#### MANCHESTER, THE NORTH AND SCOTLAND

We are a rapidly expanding subsidiary of one of the major insurance companies. Over the past few years we have established a reputation for first class investment performance. Professional intermediaries already account for a high proportion of our sales.

We are seeking an executive to actively promote our range of unit trusts to stockbrokers, unit trust advisers, insurance brokers, solicitors and accountants throughout the North of England and Scotland.

The remuneration package reflects the importance of this appointment and includes a generous salary,

performance bonus, car, subsidised mortgage facilities and a non-contributory pension.

In return we are looking for:

- \* A first class understanding of the investment scene
- \* Strong personal motivation
- \* The ability to express yourself clearly, unambiguously and with assuredness

Please write, in confidence, giving details of your qualifications and experience to:

R.J. Harwood, Unit Trust Manager,  
The Royal London Unit Trust Managers Limited,  
Royal London House, Middleborough, Colchester,  
Essex CO1 1RA. Tel: Colchester (0206) 44155

### SENIOR FINANCIAL MANAGER

Responsible for overall management of financial reporting, control and analysis for major US bank involved in commercial lending, Foreign Exchange, Money Market and, through its affiliate, Euro Securities activities. It is essential that candidates, aged 30 to 35, have management experience and a strong knowledge of and experience in US and UK regulatory and tax reporting.

Remuneration negotiable and competitive.

Please write enclosing Curriculum Vitae to Box A0027,  
Financial Times, 10 Cannon Street, London EC4P 4BY



# Accountancy Appointments

## Accountants for Management Consultancy

London

Salary to £25,000 + car

We are one of the leading international management consultancies; we are now looking for further first class consultants and analysts for our financial management practice in the UK and overseas.

For consultant positions, successful candidates will be qualified accountants aged 28 to 35, with an honours degree, who can demonstrate proven achievement in industry or commerce. Experience must include responsibility for systems development as well as line management in the finance function. Personal qualities will include the ability to communicate clearly both orally and in writing.

For analyst positions we are interested in hearing from less experienced people over 26 who otherwise meet the profile indicated above.

We offer outstanding opportunities to broaden your experience in a wide

variety of industries and to work with stimulating colleagues from a number of disciplines. There are excellent opportunities for promotion within Peat Marwick for those who wish to pursue a career in consultancy. Of particular interest to us at the moment are people with experience of the manufacturing, retail, distribution and oil industries, or of treasury management.

If you are interested in joining our London office and working with us in the UK or overseas, please write in confidence, enclosing a brief summary of your qualifications and experience, and quoting reference A/JA/86, to Mike Coney at Peat, Marwick, Mitchell & Co., 1 Puddle Dock, Blackfriars, London EC4V 3PD.

**PEAT MARWICK**

## FINANCIAL DIRECTOR (DESIGNATE)

Age 30-35

A qualified chartered accountant who is looking for advancement in their career, who is probably next in line to the financial director of a successful public company and is looking for their next step. The successful applicant will be energetic, excited by challenge and have full knowledge of the duties of a company secretary. Excellent package of pay and conditions and removal expenses will be considered.

Apply in writing to: The Chairman and Managing Director, The ELS Group of Companies, Thomas House, Prescot Road, St Helens, Merseyside WA10 3XB

## Corporate Financial Services Tiphook plc

Tiphook plc, following its recent flotation, is seeking to fill two new key appointments in the Corporate Financial Services' team based in Bromley, to assist in the planned expansion of the group.

### Group Financial Controller c.£25,000 + car

Applicants should be qualified chartered accountants aged around 35 and must be able to demonstrate a strong commercial flair.

Reporting to the Group Finance Director, the successful candidate will assume responsibility for all aspects of the group financial accounting and taxation functions, as well as the development of group management information.

A major part of the duties will also involve investigations into possible acquisitions and investment appraisals, using sophisticated financial modelling techniques.

Candidates should write in confidence, enclosing a comprehensive C.V. to: A. B. G. West, Group Finance Director, Tiphook plc, Chelsea House, 26 Market Square, Bromley, Kent BR1 1NA.

### Data Processing Manager c.£17,500 + car

Applicants aged around 28, should have 2 years' data processing experience and possess strong personal communication skills, in order to deal effectively with users at all levels.

Reporting to the Information Systems Manager, the successful candidate will be responsible for the day to day running of the group's IBM System 36 installation and will also be heavily involved in computer systems' development within the group. This includes development of the worldwide communications network and management information and financial modelling applications.

## MANAGER FINANCIAL ACCOUNTING

Major International Oil Group

Central London

to £20,000

Our client is the UK subsidiary of a leading International Oil Group, whose continuing success is the result of an extensive programme of oil and gas exploration combined with substantial operated production interests in the North Sea.

Based in their prestigious West End headquarters, this is a key management appointment reporting directly to the Head of Corporate Accounting. You will be fully responsible for the control and operation of the Company's financial accounting function, the quality and accuracy of financial reports and accounts prepared to tight deadlines, and the supervision, direction and development of an experienced accounting team.

The company uses sophisticated and well established computer-based accounting systems, and therefore candidates, who will be qualified accountants, probably aged 28-36 will have had experience of highly-developed computer systems, together with evidence of excellent people-management and technical accounting skills gained in a progressive, possibly international, business environment.

This important appointment commands an excellent salary and large company benefits package, and offers the style of career prospects normally associated with major international groups. For a detailed and confidential discussion, call Paul Goodmans on 01-387 5400 (out-of-hours 01-954 5242) or write to him at:

## FINANCIAL SELECTION SERVICES

DRAYTON HOUSE, GORDON STREET, BLOOMSBURY, LONDON WC1H 0AN TELEPHONE: 01-387 5400

## Finance Director

Board appointment with new international company.

London

c£30,000 + car

We have been retained by a newly formed, progressive shipping consortium to recruit a highly motivated and assertive Finance Director to join their dynamic management team from inception. Initiated by 4 Scandinavian shipowners, the company is responsible for the management and operational efficiency of a substantial international container fleet. Turnover is projected at c£300m and it is expected that the company will become a major force in the world container leasing market with a network of overseas offices.

Utilising a highly sophisticated EDP and communications network, the Finance Director will be required to set up all necessary systems to manage the business effectively including tight budgetary control, international cash management and management accounting procedures.

A systems specialist, probably aged 28-35, with an international background, you will be graduate calibre with a recognised accountancy qualification and/or MBA. The ability to develop long term banking relationships and operate effectively in a UK tax/legal environment is essential. Previous exposure to equipment finance/leasing would be an advantage. You must be a self starter, essentially with a "hands on" approach and have the flexibility and insight to troubleshoot in a international capacity: travel to overseas locations will therefore be required.

If you feel confident of meeting the demands of this challenging appointment, please write, enclosing a comprehensive C.V., quoting ref. 297, to Ken Proctor, Executive Division, 39/41 Parker Street, London WC2B 5LH.

## Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney  
A member of the Addison Page PLC group

## Accounting Manager

A unique 'start-up' challenge

An international engineering and design company, in the process of setting up a major engineering division in South West London, is now establishing the first tier of management for this important new investment. This creates an opening for an accomplished Qualified Accountant to take up the created post of Accounting Manager.

Responsible for the initial set-up of accounting systems and then for their on-going maintenance, there will be involvement with the whole spectrum of accounting activities: general ledger, project accounting, financial reports, supplier invoices, regulatory reports, taxation reporting, office payroll and office budget. Reporting directly to the Managing Director, the position will represent the most senior accounting post within the division and will entail extensive financially related support to local management.

A qualified ACA/ACCA/ACMA, probably aged at least 30 in order to have sufficient experience for the responsibility, you will also possess the proven management ability to build an accounting team beneath you and benefit from the unique career development this 'start-up' challenge offers.

Assuming you can demonstrate the necessary qualities, a salary to match your present level will be offered together with the expected benefits.

Please write with full career details to John Wilson, Santa Fe (UK) Ltd., Parnell House, 19-28 Wilton Road, London SW1V 1LZ.

**ST**

Santa Fe (UK) Ltd

## Chief Accountant

Directorship Prospect £23,000 plus car

A profitable and growing London-based subsidiary of a significant plc, our client manufactures and distributes consumer goods in a highly competitive market sector in which it enjoys powerful standing. Turnover in 1986 should be about £2m. The person appointed will join a lively top management team, and will report to the Chief Executive. There is a firm prospect of a Board appointment.

Accountabilities will cover the financial management spectrum: there will be ample opportunities for innovative development. The successful candidate's previous experience in manufacturing industry - preferably in consumer goods - will have included significant computer systems and management accounting involvement. An accountancy qualification is essential: age indicator - probably 30's.

Relocation assistance would be available.  
Please write - in confidence - to P. Bainbridge ref. B.17447.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,  
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Australia and Asia Pacific.

**HAY-MSL**

FINANCIAL SERVICES

## Financial Director

(Designate)

NORTH LONDON

An expanding and profitable electrical engineering company, a major subsidiary of a public company, wishes to appoint a commercially orientated qualified accountant as Financial Director Designate. The successful applicant will be responsible for the total financial control of this diversified business and will report to the Company's Managing Director.

The remuneration package is negotiable around £20k per annum plus car and includes the normal benefits appropriate to this senior position.

Applications which are in confidence, should include full career details.

Please write initially to:

G. R. Brown,  
Elico Holdings PLC,  
Belcon House,  
Essex Road, Hoddesdon, Herts EN11 0DR.

## Business Systems Manager

Swindon, Wiltshire

c.£20,000 + car

Our client is a major high street organisation which is a leader in its marketplace and intent upon continual improvement in its operational performance. It is a key subsidiary of a very substantial, publicly owned UK industrial group.

The finance director wishes to appoint a qualified accountant to assist him in all aspects of the application of financial control within the company and in the use of information technology resources. This position has substantial indirect staff responsibility through various functional managers. It is regarded as a key part of the financial/administrative function and is likely to lead to career development in either finance or general management within the group.

Applicants should be qualified accountants whose experience encompasses the development and management of financial control systems and information centre technology. There will be substantial liaison with senior company management on critical financial issues.

Please address brief personal and career details to Douglas G Mizon quoting reference F1876/M at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

**EW** Ernst & Whinney

## Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

## Divisional Management Accountants Qualified Accountants

Central & West London, Up to £20,000

Our client, a major engineering organisation with interests in civil and electrical engineering, is seeking to strengthen its management and financial accounting functions at divisional level in order to improve efficiency and its competitive edge.

It is seeking to recruit a number of high calibre senior management accountants who, as part of a divisional management team, will provide effective support and financial advice in an environment where demanding financial targets are being set.

If your technical ability, commercial acumen and communication skills match your commitment to success contact:

A.T. Matthews, Ref: 308/FT. Tel: 01-409 2766.  
Hoggett Bowers plc, 1-2 Hanover Street, LONDON W1R 9WB.

## Hoggett Bowers plc City Division

### Young Accountants Must Read This

Hoggett Bowers plc, long recognised for its outstanding success in the field of Executive Search and Selection, has now opened an office in the City to serve the accountancy profession and the financial services industry. The consultants have been hand-picked for their experience within these fields and provide career advice and contacts which are second to none. They also work closely with our national network of offices which serves the profession and all sectors of industry and commerce country-wide. Whatever your requirements, if you are qualified or about to be so, you should telephone or write to Rupert Terry and find out what we can do for you.

01-588 4305  
Moorgate Hall, 153/157 Moorgate,  
LONDON EC2M 6XB.

Recruitment Consultants

# Accountancy Appointments

## Financial and business development director

London, c£40,000, plus substantial profit share



For a highly successful, long established £60m turnover consumer products group, a frequent Queen's Award winner with substantial export markets. The balance sheet is strong and adequate resources are available for business development through acquisitions and organic growth.

Reporting to the Chairman you will be responsible for the entire financial function and for developing and implementing the company's expansion and diversification plans.

Aged from 35 your post-qualification experience should include a period spent in marketing oriented international companies and at least three years in the FMCG sector, preferably at controller level. On the business development front the requirement is for a good record in identifying and evaluating acquisition opportunities, negotiating and liaising with vendors and professional advisers and in handling the day to day practicalities of absorbing new acquisitions into a group. This is not a large company and interpersonal skills of a high order both in and out of the boardroom will be of the essence.

Terms need not be a limiting factor.

Resumes including a daytime telephone number to Michael Fring, Executive Selection Division, Ref. P438.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited  
management consultants  
10 Bourne Street  
London EC4Y 8AX

## Young Chartered Accountant

London  
£18,000 + car etc

The parent company of a large and diversified international financial services group in the forefront of developments taking place in the City wishes to recruit a young and ambitious chartered accountant to assist the Group Financial Controller in carrying out his responsibilities and duties.

Working closely with the Group Financial Controller, the successful applicant will be part of a small Head

Office team involved in the production of timely, orderly and meaningful management information.

Applicants must be young, career minded chartered accountants offering distinct analytical ability currently working in the profession or in a group head office function.

In addition to salary, car and other benefits the position will offer excellent experience in a highly sophisticated environment plus

realistic prospects for further advancement in the Group.

Candidates can make application by quoting MCS/7178 and requesting a Personal History Form from Michael R. Andrews  
Executive Selection Division  
Price Waterhouse  
Management Consultants  
Southwark Towers  
32 London Bridge Street  
London SE1 9SY

Price Waterhouse

## FINANCE MANAGER

Our client is the profitable subsidiary of a major British electronics group. The Management Accounting Executive will play a vital role in advising operations management. Managing a large staff, key responsibilities will include business planning, forecasting, budgeting, investment appraisal and management reporting. Suitable candidates, aged 27-32, will be qualified accountants with demonstrable success within a major group. Ref: JG ESSEX

£23,000 + Car

## PUBLISHING

Our client, a substantial publishing group, continues to expand both organically and through acquisition. An outstanding career opportunity exists for young accountants with controller-ship potential. Managing a small staff, this key appointment is responsible for the review and interpretation of monthly management information, business analysis etc. Suitable candidates, aged 28-32, will be qualified accountants possessing commercial awareness, an analytical approach and excellent communication skills. Ref: JG

C. LONDON c. £20,000 + Car

## FINANCIAL SERVICES

This substantial unit of a US insurance group, with interests in the UK and overseas, requires a young Chartered Accountant with an insurance background to take on a developmental role. The Operations Accountant will be engaged in monthly reporting, together with a blend of claims, premium and treaty accounting and will enjoy considerable interface with the underwriting department. Additional responsibilities will include systems development and the management of six staff. Ref: GF

C. LONDON £22,000 + Car



## Strategic - Financial Analyst

c£24,000

This is an opportunity to join the headquarters staff of a large multi-national manufacturing and construction Group based in Central London.

The analyst is required for a small department, working as Finance Director level on the Group strategic plan, acquisitions, divestments and the review of operating performance.

Applicants should have a flair for both strategic and financial analysis, coupled with the ability to communicate. An MBA and/or relevant experience in a major group is important. Age guideline - late 20s.

Please reply in confidence, quoting ref. L213, to:

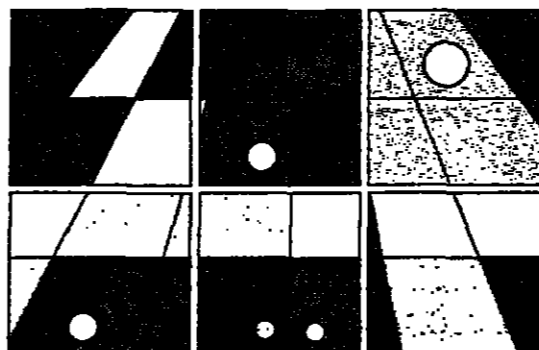
Brian H Mason  
Mason & Nurse Associates  
1 Lancaster Place, Strand  
London WC2E 7ES  
Tel: 01-240 7805

Mason & Nurse  
Selection & Search

## Opportunities in Information Technology

## MANAGEMENT ACCOUNTANT

£17K + Benefits package



BIS Banking Systems is a well established international company enjoying market supremacy within one of the largest growth areas of the software industry - International Banking.

A unique opportunity has arisen for a young professional to join the current accountancy team to play a major role in the further development of our accounting and reporting systems. In addition, the position offers some possibility of overseas travel. Previous experience within the high tech. industry is not essential although

a knowledge of the IBM PC and/or System 36 would be useful.

If you are either ICMA or ACCA qualified, over 25 years of age, able to demonstrate good communications skills and possess the ability to build personal relationships with senior members of staff, then we suggest you call Trisha Robinson on the number below, to discuss this challenging position further.

Respond to: Trisha Robinson, BIS Software Ltd., York House, 199 Westminster Bridge Road, London SE1 7UT. Tel: 01-928 3551.

ACCOUNTANCY APPOINTMENTS  
APPEAR  
EVERY THURSDAY

## GEC Hong Kong Finance Director

GEC Hong Kong represents the trading interests of the GEC Group in Hong Kong and is also a specialist electrical and mechanical contractor. About 500 people are employed.

Applications are invited from qualified Chartered Accountants in their mid-30s to mid-40s to succeed the present Finance Director who is moving to another position within GEC.

Experience in trading or project work is needed. Applicants must be capable of applying firm financial control and contributing to the profitable running of the business in a challenging environment.

Expatriate terms will apply.

Written applications, with detailed C.V. in confidence to:  
The Director of Overseas Operations  
The General Electric Company plc  
1 Stanhope Gate  
London W1A 1EH

S&C

## Financial Director

South West London

c£25,000 + car + bonus

Our client is a successful, long established motor group based in South West London with a turnover of £15 million. Recent years have seen rapid growth in volume and profitability and the group has now embarked upon an exciting new period of development which will include acquisition and diversification. The need has arisen for an experienced manager to join the group as Financial Director with immediate effect.

The role will encompass all accounting, financial, computer and company secretarial aspects of the business. There will be considerable involvement with the Group Chairman in shaping the commercial development of the organisation. A qualified accountant, preferably

aged 30-45, you will have had broad-based accounting and computer systems experience. Candidates must be able to demonstrate drive and initiative with a genuine commitment to the further success of the group. An assertive but not abrasive style will be important within the energetic top management team.

The generous salary package will include a fully expensed executive car, profit sharing and options as well as a very good range of extra fringe benefits.

Interested applicants should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive C.V., quoting ref 299, at 39-41 Parker Street, London WC2B 5LH.



Michael Page Partnership

International Recruitment Consultants  
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney  
A member of the Addison Page PLC group

## Hoggett Bowers

Executive Search and Selection Consultants  
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

### Group Treasurer

Service Industry, Central London, £23,000, Benefits

Our client, because of dynamic and necessary changes, needs to recruit a Treasurer with the self motivation to identify and introduce control procedures for all cash matters.

Once established the duties will include responsibility for the department consisting of 4 support staff and the smooth running of the cash and banking function. Perhaps the most important aspect of the position would be to investigate and introduce computer systems to guarantee the most effective use of cash. Proposals for change would be accepted and implemented.

The successful applicant will be a qualified Accountant with at least 3 years experience as a Treasurer and someone who has clearly demonstrated the ability to envisage and make changes as they become necessary.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to A.T. Matthews, Hoggett Bowers plc, 1-2 Hanover Street, LONDON W1R 9WB 01-409 2766 quoting Ref: 307/FT.

## Unique Opportunity for Young ACA

Up to £18K City + International Travel

This is an exceptional opportunity for a young ACA to join an international organisation as an Accounting Consultant.

Specialising in the field of investigative auditing for the insurance industry you will be based in the City and would enjoy significant worldwide travel. Each assignment is varied and interesting enabling you to develop your analytical, professional and communication skills.

Initially working on joint assignments you will quickly be given every opportunity to develop your knowledge and you will ultimately be involved in the development of future work for the international practice.

Starting salary will be up to £18K plus a negotiable benefits package.

Above average accountants with initiative and who are eager to develop their professional skills should contact Phil Bainbridge, Selection Consultant on 01-730 0833 or write to him - quoting ref. B.35012.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,  
52 Grosvenor Gardens, London SW1W 0AW.  
Offices in Europe, the Americas, Australasia and Asia Pacific.

HAY-MSL

FINANCIAL SERVICES

## FINANCIAL DIRECTOR

Age 30-40

£25,000 + Car

IPSWICH

A private group of companies whose activities include manufacturing of equipment for the oil industry, UK distribution of commercial trailers and tankers and industrial property investment, require an experienced qualified Accountant.

The successful candidate will be expected to work closely with the Chairman in determining the Group's future expansion.

The job is broadly based but with the emphasis on monitoring subsidiaries' performance, carrying out ad hoc investigations, reviewing the effectiveness of management information, financial appraisal of potential acquisitions and some systems work.

Applicants should have had several years experience in industry in a senior financial position.

Please write with full career details, quoting ref: GT/HLH, to Andrew Strickland FCA, Grant Thornton, Crown House, Crown Street, Ipswich IP1 3HS.

## ACCOUNTANCY APPOINTMENTS ADVERTISING

£41 per single column centimetre and £12 per line  
Premium positions will be charged £49 per single column centimetre

For further information call LOUISE HUNTER on 01-248 4864 or TREVOR PUNT on 01-236 9763



# Accountancy Appointments

## Taxation Manager Banking

Age 26-32

£27,000 + car and benefits

Our client, a major international bank, will shortly appoint a Tax Manager to its European Division Headquarters in London as a result of promotion to their Head Office.

Responsibilities include:

- \* Tax planning for the European Division in conjunction with Head Office
- \* Designing and promoting tax based products for the bank
- \* All aspects of contact with taxation authorities

The bank considers the tax manager to be an important member of the business team and the appointee would be expected to contribute to the decision-making process.

The ideal candidate will have had at least three years' post-qualification experience in the taxation department of a major accountancy firm where he/she would have dealt with the affairs of international banking clients. Alternatively, candidates may come from a tax department of an international bank. Salary will be negotiable depending upon experience, and will include the attractive fringe benefits associated with banking.

Please apply to Jock Courts, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A 1EG, tel: 01-242 5775.

**Career plan**  
LIMITED  
Personnel Consultants

## Finance Director

East Midlands

c£22,500 + car + bonus + share options

Our client is Pentos Home and Office Products Group Ltd., a division of the Pentos Group. Trading under the name of Caplan, the company is a successful, expanding manufacturer of office furniture.

A Finance Director is now sought to assume full responsibility for the finance function. Working closely with other members of the senior management team your brief will encompass the co-ordination of statutory and internal managerial information, cost control, the management of funds, acquisition analysis and the further development of computerised systems. The incumbent will also be expected to play a leading role in the general administration of the site.

As a qualified accountant in your 30's with an exceptional track record in a manufacturing environment, your commercial expertise will enable you to make a substantial contribution to the company's long term plans and corporate strategy. In return, the company can offer outstanding career prospects, an attractive salary package including an executive car and relocation costs where appropriate. If you feel capable of meeting the demands of this exciting, challenging role please write to Dean Gollings, Executive Division, enclosing a comprehensive CV quoting ref. B6197, at Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST.

**MP**

**Michael Page Partnership**

International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney  
A member of the Addison Page PLC group

## INTERNAL AUDITING ISN'T CONFINED TO AN OFFICE IN THE CITY

Well, at least not in Cable and Wireless, the world leader in international telecommunications operating in 60 countries.

Due to internal promotion and increasing Company demands there are new openings within our Internal Audit function for experienced audit professionals willing to undertake extensive overseas travel to our many business locations. These are excellent opportunities to gain rapidly a broad knowledge of this highly successful Company and could lead to significant career prospects within the mainstream finance functions.

### MANAGER INTERNAL AUDIT

As a qualified accountant your experience will include a spell with a major audit firm followed by a number of years in Internal Audit in an international commercial environment. The preferred age range is early thirties and we are offering a salary of c. £20,800 plus large Company benefits which include a car, BUPA and overseas travel allowances. Relocation assistance will be given where appropriate. Ref: 531/FT.

### INTERNAL AUDIT SENIOR

With one year's post qualification experience with a major professional audit firm you will be aged 25-30 and eager for a career in a commercial environment. We are offering a salary of c. £17,000 and associated large Company benefits including overseas travel allowances. Relocation assistance will be given where appropriate. Ref: 533/FT.

For both these positions, the successful candidates will be highly competent, self-motivated people, able to accept considerable autonomy and responsibility and who can demonstrate good interpersonal skills and management experience. A knowledge of computer based accounting systems is desirable.

Please send full CV, quoting the appropriate reference, to: Recruitment Manager, Cable and Wireless plc, Mercury House, Theobalds Road, London WC1X 8BX or telephone for an application form on 01-405 4880 (24 hours).

**Cable and Wireless**  
Helps the world communicate

## Exceptional development opportunity

### Young Financial Manager

Thames Valley mid-20s c.£20,000

Mars Confectionery has a record of profitable growth which has made it the leading manufacturer in the UK's biggest packaged-goods market. A key factor in maintaining this impressive commercial success continues to be the effectiveness of our financial management and controls.

Following an internal promotion, this challenging opportunity has arisen for an outstanding young accountant to join our highly professional team. Initially, responsibilities will include the preparation of financial plans and forecasts, together with responsibility for the financial performance of a group of our brands. Significant involvement with all areas of the business is expected together with the ability to contribute to the success of the company's overall financial management. You must therefore be capable of expanding the horizons of your role, influencing the business, and gaining acceptance for your ideas.

A qualified accountant in your mid-20s with a good degree, you will already be able to demonstrate an impressive record of achievement - gained either in industry, or in the profession - and you are now looking to broaden your experience in a fast-moving business environment.

First-year earnings of around £20,000 (in a range rising to £28,000) will be backed by a comprehensive non-contributory benefits package including relocation assistance if appropriate. Success in this stimulating role will lead to excellent prospects for further career advancement - not necessarily restricted to financial management - within Mars Confectionery or other Mars Group companies in the UK or overseas.

Please ring or write for an application form to Rob Sawyer, Management Development Manager, Mars Confectionery, Dundee Road, Slough, Berkshire SL1 4JX. Tel: Slough (0753) 23932, ext. 4643.

**Mars**

## ASHTON-TATE

Key Financial Roles  
Maidenhead, Berks.

Ashton-Tate is recognised as a pioneer in the development and marketing of business software and is now one of the largest microcomputer software companies in the world. The group has exciting plans for growth and now seeks additional financial expertise:

### Financial Director (designate)

c.£23,000 + car + share purchase scheme

Reporting to the Managing Director with full responsibility for all financial/management accounting, the continued development of computerised systems and internal controls are key tasks. For this high profile role, we seek a high-

calibre qualified accountant, probably aged late 20's/mid-30's with sound commercial experience and an appetite for hard work. The person appointed will have a strong influence in company strategy.

### European Financial Analyst

c.£17,500 + benefits + share purchase scheme

Responsibilities in this new career appointment will include developing timely and accurate management information, analysis and consolidation of financial statements, profit planning and implementing a forecasting system within Europe. Some foreign travel will be involved. The position will appeal to a young, qualified accountant or MBA with a high degree of ambition.

If you are keen to contribute to the success of a fast-growing, marketing-driven company, please write in confidence enclosing full CV and quoting reference MCS/2025 to Milton Ives, Price Waterhouse Management Consultants, Thames Court, 1 Victoria St, Windsor, Berks SL4 1HB

**Price Waterhouse**

## Return to the Profession Financial Controller

c. £25,000 + Car

Continuing expansion of our firm (70 partners in 15 UK offices) increases the responsibilities and demands placed upon our Financial Controller.

To the requirement for production of management and financial accounts, budget preparation and leading a small Accounts Department team, is added a demand for advice, interpretation and recommendations to the managing partner.

The successful candidate is likely to be in his/her early 30's, professionally qualified with relevant experience probably gained in a Group situation. Interpretative ability, lucid thinking, results orientation and energetic approach are the keys to success in this position.

Please apply in writing with a concise CV to:-

Penny Alison (Miss), Director of Personnel,  
Robson Rhodes, 186 City Road, London EC1V 2NU.

**ROBSON RHODES**

## Hoggett Bowers

Executive Search and Selection Consultants

### Career Opportunities with a Major British Group For 2 Young Qualified Accountants

North East. Initially to £14,500

Reorganisation and internal promotion within a major division of a leading British quoted group, has created a requirement for 2 high calibre young qualified accountants. Each will be assigned to a specific business unit within the division, which is engaged in the manufacture of quality branded consumer products for competitive markets. Prime emphasis is on the day to day management of a specific finance function, requiring the preparation and interpretation of detailed management accounting information with full supporting and variance analysis, to exacting deadlines. Additional responsibility includes the establishment and maintenance of fully integrated costing systems utilising sophisticated IBM based D.P. facilities, micro-computer based financial modelling and the management of a departmental staff of 10. Candidates aged under 35 must be qualified with extensive computerised accounting experience and will see these appointments as their next progression in a financial managerial career in manufacturing industry. Promotion prospects are excellent.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to: A.D. Kelly, Hoggett Bowers Plc, 4 Mosley Street, NEWCASTLE UPON TYNE, NE1 1DE, 0632 357485, quoting Ref. 44274/5/FT.

## Hoggett Bowers

Executive Search and Selection Consultants

### UK Accounting Manager

High Technology  
Berks. c. £25,000, car

This company is a relatively small progressive, high technology company of American parentage and is growing rapidly but sensibly under a mature professional British management. The Finance Department has a small staff and a VAX 11/780 and the major objective is to develop and manage the accounting for the UK operation in a way that fully contributes to the business and its growth. Candidates, most probably CA, will be aged 30-35 with experience of American financial reporting in a high technology situation. They must be independently minded and be able to work at board level with no supervision. The company is still comparatively young and career prospects are excellent.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to H.W. FitzHugh, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, W1R 9WB, 01-754 6852, quoting Ref: 19008/FT.

**ESD**

### Group Chief Accountant

c.£20,000 + car + benefits

An expanding and highly profitable publicly quoted group of companies with an annual worldwide turnover of approximately £100m who are engaged in advanced electronics and precision engineering products needs someone to take responsibility for the day to day running of the group's finance function in Newbury and assist the Financial Director in all aspects of financial control of the group.

Based in Newbury, Berkshire, the successful candidate must have had a first class professional training followed by substantial general experience at corporate level. He/she will also need intellectual agility, flexibility, an entrepreneurial streak and a pleasing personal authority. Due to the pressures of the job, a sense of humour would help.

To apply please write quoting ref: MUB64 to the Managing Director, Executive Selection Division, 78 Grosvenor Street, London W1X 9FD.

ESD is the Executive Selection Division of EAL

## MONTAGU, LOEBL, STANLEY & CO. (STOCKBROKERS) FINANCIAL CONTROLLER

We require a qualified accountant to succeed our financial controller who retires in April. The successful candidate will be responsible to the Chief Executive for management controls, Stock Exchange returns and must be familiar with computerised accounting and systems. The position carries management status and for the right person rapid promotion in an expanding business. Montagu, Loebel, Stanley & Co. will become a subsidiary of the Save & Prosper Group in April 1986.

The remuneration package which will be attractive, will be subject to negotiation. Please reply in confidence to:

Mr R. A. D. Froy,  
Montagu, Loebel, Stanley & Co.,  
31, Sun Street, London EC2M 2QP

ACCOUNTANCY  
APPOINTMENTS  
APPEAR EVERY  
THURSDAY

for further information

contact

01 248 4864

# Accountancy Appointments

## Head of Finance

Establishing Sound Financial Links for  
Worldwide Communications

Southampton c.£25K

In maintaining a complex submarine cable network, the Marine Services Division of British Telecom International provides the UK with vital international communications links.

This is a senior position reporting to the Divisional Director, with professional functional responsibility to BT's Chief Finance Officer, and offers an exciting opportunity to assist with the development of business worldwide in growth areas created by both offshore oil fields and enhanced cable technology. In building up the £20 million turnover Division into a fully commercial profit centre, tasks will span strategic planning, cost accounting and financial performance analysis. Increasing the flow of sophisticated information across the operational base will also be important. A shrewd, far-sighted professionally qualified

accountant, ideally with a degree in a business-related discipline, you must have substantial experience of senior management level, preferably gained in a shipping or manufacturing environment. Computer systems exposure is essential and major contract supervision would be a distinct advantage. Preferred age range: 30-40.

The remuneration package reflects the importance of this position. Salary will be negotiable around £25,000 and benefits are comprehensive. Prospects within this rapid growth environment are excellent.

Please write with a full c.v. to Alan Hall, British Telecom International, Room 820, Holborn Centre, 120 Holborn, London EC1N 2TE.



## CORPORATE SERVICES MANAGERS

International  
C.A.s—London

£20,000 plus  
+ car + benefits

Ernst & Whinney is one of the most rapidly expanding accountancy firms with a highly developed sense of the market opportunity.

To support further practice growth planned for 1986, outstanding career opportunities can be offered in Corporate Services work to ambitious qualified accountants or MBA's with a minimum of five years relevant post qualification experience. Specific requirements are in:—

### CORPORATE FINANCE

— where the need will be for the preparation and presentation of imaginative proposals backed by computerised financial models and a thorough knowledge of the alternative sources and methods of finance.

### CORPORATE ADVICE

— where extensive experience of Stock Exchange requirements and reports, viability studies and acquisitions and general investigative work will be required.

For those demonstrating sound technical capability, a flair for inter-personal skills and a keen sense of commercial awareness, prospects in the medium term will be first class.

Relocation assistance, where appropriate will be provided.

Please write with full C.V. to Barry Compton.

**E&W Ernst & Whinney**  
Accountants, Advisers, Consultants.

Becket House, 1 Lambeth Palace Road, London SE1 7EU. Tel: 01-928 2000.

## Group Accountant— Advertising/PR

Central London  
c.£20,000 + benefits



**MALLERMAN  
SUMMERFIELD  
AND PARTNERS**

Our Client, an advertising agency with substantial group billings, is seeking an accountant for their London offices.

The agency has developed a number of affiliated companies and now provides its clients with a comprehensive range of marketing/advertising and communication services.

The successful candidate will probably come from a similar industry background, is likely to be qualified and will head-up an accounts department of six staff in this newly created position. Age is less important than relevant experience.

For further information, please telephone Robert Walters or Carolyn O'Brien on 01-734 0493 or write giving brief details to the address shown.

**Robert Walters Associates**  
Recruitment Consultants  
54-62 Regent Street, London W1R 5PJ.  
Telephone: 01-734 0493

## ACCOUNTANT ~ a senior role in a small team

c £18k + benefits

Our client is a major North Sea Operator committed to an expanding programme of offshore activity. Discovery of a new oil and gas field has meant continued company growth and prospects for the future are exciting.

A vacancy has arisen in our Management Accounting department based in Aberdeen, for an Exploration Accountant.

Your job will be to provide a complete financial service for all of the operator exploration licences. This will involve you in:

- ★ the preparation and presentation of budgets to senior management and joint venture partners
- ★ the preparation of monthly statements of account forecasting cash requirements to ensure that there are sufficient funds to meet exploration expenditure
- ★ liaising closely with other technical departments

This challenging post promises both early responsibility and the opportunity to work with staff at all levels. You will be a senior member of a small team dealing with all financial aspects of Exploration Activities.

You will be a qualified Accountant, of graduate calibre in your late 20s/early 30s and with at least 2-3 years' post qualification experience in an oil related environment. It would also be advantageous if you had a knowledge of modelling/reporting software packages.

The company benefits include an excellent relocation package, pension and life assurance scheme and a subsidised staff restaurant.

If you feel that your background meets the requirements of this demanding position, send a detailed CV including current salary to B. Forbes, address as below or phone for an application form.

All applications will be treated in the strictest confidence.

**PA**  
**PA Advertising**

Windsor House, 12 Queen's Road, Aberdeen AB1 6TT  
Tel: (0224) 645566 Telex: 73182

## CONNOLLY LEATHER

### Financial Controller

Wimbledon, S.London  
c£18,000 plus car

We have been retained to recruit a qualified accountant for Connolly Brothers Limited.

Our client is the foremost company in the preparation of finest quality leather. Their prestigious client base is drawn from the major names in the automotive and furniture industries.

Though established in the nineteenth century, recent growth to a turnover of £24 million with a staffing level of 480, has necessitated the appointment of a Financial Controller.

For the successful applicant, probably aged between 26-35, this newly created position represents a demanding and challenging role.

Managing a small team — four at present — responsibilities will include all general account-

ing, budgeting, forecasting, costing and preparing management reports.

You will also be expected to recommend and implement operational innovations — where appropriate — to enhance the profitability of the business and its associated companies.

As 45% of output is for export, an awareness of currency markets will be required.

Career prospects are excellent and a generous range of company benefits apply.

In the first instance apply with full curriculum vitae to Jonathan Fisher, Joslin Shaw Limited, Bell Court House, 11 Blomfield Street, London, EC2M 7AY.  
Telephone: 01-638 6362.

**JOSLIN SHAW**

Joslin Shaw Limited, Bell Court House, 11 Blomfield Street, London EC2M 7AY

RECRUITMENT ADVERTISING

## City Treasurer

£27,864 to £30,456

Sheffield is England's fourth largest City. The City Treasury has a fine reputation for managing the financial affairs of the Authority.

The Council is seeking a forward looking manager, with appropriate financial qualifications preferably CIPFA, and with proven experience at a senior level of financial management and control in a large local or public authority. Interpersonal skills of a high order are essential for the manager to lead a department of over 500 staff in a progressive industrial relations environment.

As a member of the management team of Chief Officers, and responsible for the financial management of the City Council's affairs, the City Treasurer is expected to contribute to the new initiatives being developed by the Authority in economic and financial planning and information technology.

Post re-organisation Sheffield has been nominated as the lead Authority for the administration of the County's superannuation fund.

Details and application forms from:  
THE PERSONNEL DEPARTMENT, TOWN HALL, SHEFFIELD S1 2HH  
TELEPHONE (0742) 72417. CLOSING DATE 31st JANUARY 1986

If you wish to discuss the post further, please telephone Rod Knowles, Chief Personnel Officer on (0742) 734081

**City of Sheffield**

An Equal Opportunity Employer

## ACAs - EUROPE

neg. to c. £22,000

Based in CENTRAL LONDON, our client is an INTERNATIONAL OIL MAJOR with interests in NORWAY, BELGIUM, ITALY, GERMANY, FRANCE, SWEDEN, SWITZERLAND, DENMARK, SPAIN, SOUTH AFRICA and other locations in the AFRICAN CONTINENT.

Significant travel is involved as, due to recent internal promotions, there are no less than 4 vacancies to be filled in the £17,000-£22,000 salary band.

The entry point is a training ground for above average young ACAs with a relevant language facility, aged 22-35, male or female with an interest in general TROUBLESHOOTING and/or gaining additional professional skills in the D.P. area.

Contact: G. D. MAXWELL, Managing Director

## ACA/ACCA/ACMA

to £18,000 + car

Based in HIGH WYCOMBE, our client is a £30m turnover subsidiary of a major BRITISH RETAIL GROUP.

Due to reorganisation and the upgrading of the quality and depth of financial information as a priority, there is now a requirement to fill the newly created position of FINANCIAL ACCOUNTING MANAGER.

The successful candidate will have overall responsibility for a total staff approaching 50 currently capably managed by a number of experienced section leaders.

This is a career position with a very go-ahead fast growing public company.

Contact: Lynne Attwood

1-3 Mortimer St, London W1  
Tel: 01-580 7895/7739 (direct)  
01-537 5377 ext 261/2

Accountancy  
Appointments  
Europe

## BBC APPOINTMENTS

### MANAGEMENT ACCOUNTANT

Central London  
£12,500 — £16,000 approx\*

The work of the BBC is large and varied. As a member of one of our multi-discipline activity review teams, you would play a vital role in the assessment of the effective and efficient use of resources.

A young, qualified (ideally ACMA) accountant, you should have the ability to contribute towards the achievement of these objectives. (Ref. 9081/FT)

To provide a management accounting and programme costing service to our Manchester Network Production Centres.

As deputy to the Head of Finance, you will be responsible for the preparation of accounts, statistics and programme costs, as well as managing a Hewlett-Packard mini-computer and developing accounting systems.

In addition to a professional qualification, you should have practical computer experience and be able to supervise support staff. (Ref. 9053/FT)

### ACCOUNTANT

Manchester  
£10,134 — £13,140\*

\*Salary ranges quoted are effective 1st March 1986.

Relocation expenses considered.

Contact us immediately for application form (quote ref. and enclose S.A.E.) BBC Appointments, London W1A 1AA. Tel. 01-927 5798.

We are an equal  
opportunities employer





SECTION II - COMPANIES AND MARKETS
FINANCIAL TIMES

Thursday January 16 1986

WOLSELEY-HUGHES
From Truro to Texas
we're growing
from strength to strength

RANK XEROX HOUSE 338 Euston Road, LONDON, NW1
THE COMPLETE CORPORATE HEADQUARTERS
\* 113,000 square feet
\* Extensive car parking
\* Outstanding position
\* Superb amenities and fittings
Goddard & Smith
Telephone: 01-530 7321

Kaiser plans refinancing to fight takeover bid

BY TERRY DODSWORTH IN NEW YORK
KAISER ALUMINUM, the US aluminum company fighting a \$780m bid from J.A. Frates of Oklahoma, announced a wide-ranging reorganisation yesterday which will involve raising new capital that should help to make it less vulnerable to takeover.

First Wachovia returns strong growth as loan provision rises

BY PAUL TAYLOR IN NEW YORK
FIRST WACHOVIA, the expanding south-east US banking group formed last month by the interstate merger of North Carolina-based Wachovia and Atlanta-based First Atlanta, yesterday reported a 20 per cent increase in 1985 net earnings.

Feldmühle optimistic on outlook

By Jonathan Carr in Frankfurt
FELDMÜHLE, the diversified West German paper and board manufacturer, is optimistic about business prospects this year after raising profits in 1985 on sales revenue up by 4 per cent to DM 3.1bn (\$1.26bn).

Abbott lifts earnings 15% on higher income

BY OUR FINANCIAL STAFF
ABBOTT LABORATORIES, the big US health care company, kicked off the drug companies' reporting season yesterday with a 15 per cent rise in 1985 net earnings.

Delhaize sees lower result

BY PAUL CHEESERIGHT IN BRUSSELS
DELHAIZE Le Lion, the Belgian supermarkets chain which earns about 70 per cent of its revenue in the US, expects lower consolidated profits for 1985 but its dividend will at least be maintained at the 1984 level of BF 115 (\$2.30) a share.

Ammax in metal division shake-up

By Kenneth Marston, Mining Editor, in London
AMMAX, the US natural resources group, has embarked on a big reorganisation of its metal businesses into two main sections.

In the past six months, Ammax has sold its 25 per cent stake in the Mount Newman iron ore venture in Western Australia; withdrawn from the BCL nickel-copper project in Botswana; closed the Fort Nickel refinery in Louisiana and the Ammax copper mine in Arizona; and announced the phasing-out of its smelting and refining operations at Carteret, New Jersey.

Goodrich charged by SEC

B.F. GOODRICH, the US tyre group, was yesterday charged by the Securities and Exchange Commission (SEC), with reporting and proxy violations in connection with a \$41m "greenmail" payment to corporate raider Mr Carl Icahn in 1984.

Aegon starts takeover talks

AEGON, the Dutch insurer, has begun talks to buy Nederlandse Verzekering Groep for an undisclosed sum.

John Davies in Frankfurt reports on battle in Europe's fertiliser market
The growing business of BASF

BASF, the West German chemical group, has returned to profitability in the fertiliser business - a commercial "battleground" in which large internationally active companies are locked in fierce competition.
Three years ago BASF slashed fertiliser prices to hold on to European markets. But since then it has streamlined production and marketing, invested in technological improvements and lifted prices to more economic levels.

Superfos expects profit slide after weak performance in US

BY HILARY BARNES IN COPENHAGEN
SUPERFOS, the Danish chemical giant, said its 1985 pre-tax earnings will slide to a break-even level after heavy losses in the fertiliser division and especially as a result of last year's acquisition of the US Royster group.

December 1985 New Issue. These securities having been sold this advertisement appears as a matter of record only. These Notes have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to U.S. persons as part of the distribution of the Notes.

The Hongkong and Shanghai Banking Corporation
(Incorporated in Hong Kong with limited liability)
U.S. \$400,000,000
Primary Capital Undated Floating Rate Notes (Second Series)
List of banks: Bank of China, Barclays Merchant Bank Limited, County Bank Limited, Fuji International Finance Limited, IBJ International Limited, Merrill Lynch Capital Markets, Samuel Montagu & Co. Limited, Nippon Credit International (HK) Ltd, Orion Royal Bank Limited, Shearson Lehman Brothers International, Sumitomo Trust International Limited, Union Bank of Switzerland (Securities) Limited, Yamaichi International (Europe) Limited, BankAmerica Capital Markets Group, Bank of Yokohama (Europe) S.A., Banque Nationale de Paris, Crédit Lyonnais, Daiwa Europe Limited, Generale Bank, KB International (Hong Kong) Limited, Manufacturers Hanover Limited, The Royal Bank of Scotland plc, Sanwa International Limited, Tokai International Limited, Westpac Banking Corporation, Bank of Tokyo International Limited, Banque Bruxelles Lambert S.A., Chemical Bank International Group, Dai-ichi Kangyo International Limited, First Interstate Capital Markets Limited, Indosuez Asia (Singapore) Limited, Kidder, Peabody International Limited, The Nikko Securities Co., (Europe) Ltd, Saitama International (Hong Kong) Limited, Takugin International (Asia) Ltd, Toronto Dominion International Limited

FUTURES TRADING TO PROTECT CURRENCY AGAINST DOLLAR
Mexico to launch peso market

BY DAVID GARDNER IN MEXICO CITY
MEXICO IS shortly to introduce a futures market for the "controlled" exchange rate of the peso against the dollar - the rate used for 80 per cent of the country's trade and all its debt transactions, which is set by the financial authorities at a daily fixing.



INTERNATIONAL COMPANIES and FINANCE

Intel loses \$15m in quarter as revenues continue to fall

BY LOUISE KEHOE IN SAN FRANCISCO

INTEL Corporation, the US Silicon Valley semiconductor manufacturer, has reported heavy losses for the fourth quarter of 1985. In addition revenues for the year were down 16 per cent with net income cut by 99 per cent, reflecting the depressed conditions of the world semiconductor market.

Intel announced it would lay off about 700 people, or 3 per cent of its workforce, as part of an overall company restructuring.

Net income for 1985 was \$2m, or 1 cent a share, down from \$198m, or \$1.70 a share in 1984. Revenues were \$1.4bn, down from \$1.6bn.

The company reported a net loss of \$15m for the fourth quarter, compared to a profit of \$23m for the final quarter of 1984, and revenues were \$318m, down from \$416m.

Losses from operations for 1985 totalled more than \$80m, with fourth-quarter operating losses of almost \$35m, significantly worse than most analysts' predictions.

"Fourth-quarter orders were higher than in the third quarter, but

still are not adequate to sustain current revenue levels," said Dr Gordon E. Moore, chairman and chief executive. "We believe we've seen the worst of this cycle; prices are firming in some areas and demand for certain products is increasing."

However, he added: "Pricing is still quite low. We face a long climb back up from a very low base before we will return to a period of acceptable profitability."

"The long-term outlook for Intel is bright," said Dr Moore.

Amev buys remainder of Australian group

BY LACHLAN DRUMMOND IN SYDNEY

AMEV Australia, the Dutch-owned insurance and financial group, intends paying A\$89m (US\$48m) to take full control of its 30 per cent-owned general insurance associate, VACC Holdings.

Amev is in talks with VACC's controlling 51 per cent shareholder, the Victorian Automobile Chamber of Commerce, and intends offering A\$8.89 a share to the chamber and remaining shareholders. Those include other state motor-trade associations.

The proposed offer price compares with a closing stock market quote of A\$4.10 a share for VACC Holdings. Earnings per share were 64 cents for the year ended June 30 1985. VACC's net profits edged up 1 per cent to A\$7.18m. Premium income totalled A\$82m.

Amev will also seek to buy the chamber's stake in Amev Life once it completes the VACC takeover. Amev last year bought out local minority holdings in its Amev-UDT Finance subsidiary.

Amev has been a shareholder in VACC since 1980.

Household in \$500m share buyback move

By William Hall in New York

HOUSEHOLD International, the US consumer finance and manufacturing group, is to spend up to \$500m on buying back more than a fifth of its equity.

The group, which has frequently come under attack from a dissident shareholder group, yesterday said it would begin a cash tender offer for up to 11.5m of its 51.4m common shares outstanding.

The group is offering to buy back its shares at between \$42 and \$46 and said it would determine the per-share price it would pay on the basis of the number of shares tendered.

It will acquire a minimum of 5m shares. All shareholders who validly tender shares at or below the price selected by the company will receive the price selected by the company for the shares accepted for payment.

The tender offer will be financed by the proceeds of Household's recent sale of its merchandising unit to a group of investors. Household received \$520m in cash, equivalent to the book value of the unit, and \$125m principal face value of subordinated notes and a 10 per cent equity position in the acquiring corporation.

The news of the tender offer did not come as a complete surprise to Wall Street. This month, when the company announced that the decline in its 1985 earnings would be "greater than anticipated," it said its board would at its January 14 meeting consider various ways of using the sale proceeds.

For more than a year, Household's performance has come under fire from a dissident shareholder group, which at one stage attempted a takeover.

North American quarterly results

ARIZONA BANQUERY Bank holding company			DIL. MINERALS & CHEMICALS Fertilisers, animal products			MORTON THROKOL Salt, household products		
Fourth quarter	1985	1984	Second quarter	1985-86	1984-85	Second quarter	1985-86	1984-85
Revenue	\$	\$	Revenue	\$	\$	Revenue	\$	\$
Net profit	7.94m	5.82m	Net profit	341.2m	377.2m	Net profit	495.4m	461.1m
Net per share	0.74	0.58	Net per share	1.8m	34.5m	Net per share	3.2m	2.8m
Year			Year			Year		
Revenue	28.2m	22.5m	Revenue	658.3m	728.4m	Revenue	940.9m	844.7m
Net profit	3.72	2.35	Net profit	28.2m	71.8m	Net profit	66.7m	62m
Net per share	0.35	0.22	Net per share	0.24	0.52	Net per share	1.41	1.23

MARYLAND NATIONAL Bank holding company			PACIFIC LIGHTING Lighting		
Fourth quarter	1985	1984	Fourth quarter	1985	1984
Revenue	\$	\$	Revenue	\$	\$
Net profit	22.6m	19.7m	Net profit	1.27m	1.35m
Net per share	1.14	1.05	Net per share	55.9m	43.3m
Year			Year		
Revenue	80.4m	64.5m	Revenue	5.05m	4.72m
Net profit	4.15	3.69	Net profit	190.1m	132.7m
Net per share	0.41	0.39	Net per share	3.80	3.50

NOTICE TO THE HOLDERS OF

**YAMAMUCHI PHARMACEUTICAL CO., LTD.**  
(Yamanuchi Seiyaku Kabushiki Kaisha)

2 3/4 PER CENT. CONVERTIBLE BONDS DUE 2000

Pursuant to Clause 7(B) and (C) of the Trust Deed dated November 12, 1985 under which the above-mentioned bonds were issued, Notice is hereby given as follows:

1. On November 25, 1985, the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of December 31, 1985 in Japan at the rate of 0.08 new share for each share held.

2. Accordingly, the conversion price at which the above-mentioned bonds may be converted into shares of Common Stock of the Company has been adjusted effective as of January 1, 1986 Japan time. The conversion price in effect prior to such adjustment was Yen 3,471.00 per share of Common Stock, and the adjusted conversion price has been Yen 3,213.90 per share of Common Stock.

**YAMAMUCHI PHARMACEUTICAL CO., LTD.**  
By: The Sumitomo Bank, Limited  
as Principal Paying Agent  
January 16, 1986

NOTICE TO THE HOLDERS OF

**YAMAMUCHI PHARMACEUTICAL CO., LTD.**  
(Yamanuchi Seiyaku Kabushiki Kaisha)

4 PER CENT. CONVERTIBLE BONDS DUE 1990

Pursuant to Clause 7(B) and (C) of the Trust Deed dated October 6, 1983 under which the above-mentioned bonds were issued, Notice is hereby given as follows:

1. On November 25, 1985, the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of December 31, 1985 in Japan at the rate of 0.08 new share for each share held.

2. Accordingly, the conversion price at which the above-mentioned bonds may be converted into shares of Common Stock of the Company has been adjusted effective as of January 1, 1986 Japan time. The conversion price in effect prior to such adjustment was Yen 1,483.30 per share of Common Stock, and the adjusted conversion price has been Yen 1,373.30 per share of Common Stock.

**YAMAMUCHI PHARMACEUTICAL CO., LTD.**  
By: The Sumitomo Bank, Limited  
as Principal Paying Agent  
January 16, 1986

This announcement appears as a matter of record only. The Warrants may not be offered or sold in the United States or to United States nationals or residents.

Goldman, Sachs & Co.

125,000  
Series C Warrants to Purchase  
U.S. \$125,000,000  
9 7/8% United States Treasury Bonds  
due November 15, 2015

Goldman Sachs International Corp.  
as Selling Agent

January, 1986

Carolina Builders Corporation

has been acquired by

Wolseley-Hughes, plc.

The undersigned acted as financial advisors to Carolina Builders Corporation in this transaction.

MORGAN STANLEY & CO.  
Incorporated

CAROLINA SECURITIES CORPORATION

January 2, 1986

This announcement appears as a matter of record only

SYDKRAFT

Sydkraft Aktiebolag  
(Incorporated in Sweden with limited liability)

DKK 300,000,000  
9% per cent. Notes due 1992

Enskilda Securities  
Svea Aktiefond Aktiefond Limited

Privatbanken A/S

- Bank Brussel Lambert N.V.
- Banque Paribas Capital Markets Limited
- Credit Suisse First Boston Limited
- Generale Bank
- Morgan Guaranty Ltd
- Svenska Handelsbanken Group
- Berger Bank A/S
- Crédit Lyonnais
- Girozentrale und Bank der Österreichischen Sparkassen
- Merrill Lynch Capital Markets
- Sanwa International Limited
- Banque Générale du Luxembourg S.A.
- Commerzbank
- Deutsche Bank Capital Markets Limited
- Kreditbank International Group
- Post- och Kreditbanken, PK Banken
- Swiss Bank Corporation International Limited
- Westdeutsche Landesbank Girozentrale
- Berliner Handels- und Frankfurter Bank
- Dal-ichi Kangyo International Limited
- Mitsubishi Finance International Limited
- Swedbank
- Creditanstalt-Bankverein
- Den norske Creditbank
- Kansallis Banking Group
- Orion Royal Bank Limited
- Toronto Dominion International Limited
- Union Bank of Finland Ltd

December, 1985

# Gencor Group

## Gold Mining Companies' Reports for the Quarter ended 31 December 1985

All companies mentioned are incorporated in the Republic of South Africa

**BRACKEN Mines Limited**  
Company Registration No. 580112806  
Issued capital - 14 000 000 shares of 50 cents each.

	Quarter ended 31.12.1985	Quarter ended 30.9.1985
<b>OPERATING RESULTS</b>		
Mined (m <sup>3</sup> )	85 529	82 779
Ore milled (t)	247 000	248 000
Gold produced (kg)	889	961
Yield (g/t)	3.6	3.6
Working revenue (R/milled)	96.89	87.49
Working costs (R/milled)	50.04	46.70
Working income (R/milled)	46.85	40.79
Gold price received (R/kg)	28.64	21.84
Gold price received (R/oz)	312	232
<b>FINANCIAL RESULTS (R'000)</b>		
Working revenue	23 929	21 522
Working costs	12 356	11 498
Working income	11 570	10 030
Sundry income	1 079	1 629
Tribute and royalties-net	1 159	1 159
Income before taxation and State's share of income	14 808	13 527
Taxation and State's share of income	8 400	7 282
Income after taxation and State's share of income	6 408	6 245
Capital expenditure	73	8 400
Dividend declared	73	8 400
<b>DEVELOPMENT - Kimberley Reef</b>		
Advanced (m)	1 048	812
Advanced on reef (m)	202	261
Sampled (m)	194	296
Channel width (cm)	2.3	2.3
Average value - gold (g/t)	10.3	10.9
Value - gold (cm.g/t)	153	258

**LESLIE Gold Mines Limited**  
Company Registration No. 590112406  
Issued capital - 16 000 000 shares of 65 cents each.

	Quarter ended 31.12.1985	Quarter ended 30.9.1985
<b>OPERATING RESULTS</b>		
Mined (m <sup>3</sup> )	78 955	74 271
Ore milled (t)	366 000	360 000
Gold produced (kg)	963	958
Yield (g/t)	2.7	2.7
Working revenue (R/milled)	50.61	49.61
Working costs (R/milled)	45.39	43.59
Working income (R/milled)	210.30	212.58
Gold price received (R/kg)	24.76	15.78
Gold price received (R/oz)	262.22	212.08
<b>FINANCIAL RESULTS (R'000)</b>		
Working revenue	24 973	21 619
Working costs	18 183	15 774
Working income	6 790	5 845
Sundry income	1 244	1 244
Tribute and royalties-net	(30)	(19)
Income before taxation and State's share of income	7 904	7 274
Taxation and State's share of income	5 984	3 159
Income after taxation and State's share of income	1 920	4 078
Capital expenditure	174	280
Dividend declared	174	280
<b>DEVELOPMENT - Kimberley Reef</b>		
Advanced (m)	3 239	2 750
Advanced on reef (m)	129	129
Sampled (m)	936	714
Channel width (cm)	13	13
Average value - gold (g/t)	27.3	22.1
Value - gold (cm.g/t)	328	240

**BUFFELSFONTEIN Gold Mining Company Limited**  
Company Registration No. 05/2335406  
Issued capital - 11 000 000 ordinary shares of R1 each.  
- 12 400 158 cumulative preference shares of R1 each.

	Quarter ended 31.12.1985	Quarter ended 30.9.1985	6 months ended 31.12.1985
<b>OPERATING RESULTS</b>			
Mined (m <sup>3</sup> )	215 387	212 213	427 600
Ore milled (t)	854 000	857 000	1 691 000
Gold produced (kg)	6 880	7 011	13 891
Yield (g/t)	3.2	3.3	3.2
Working revenue (R/milled)	227.59	182.29	205.56
Working costs (R/milled)	95.08	92.49	93.77
Working income (R/milled)	132.51	89.80	111.79
Gold price received (R/kg)	27.16	23.83	25.470
Gold price received (R/oz)	293	259	279
The above figures include ore processed by Buffelsfontein Gold Mining Company Limited from the surface stockpile.			
<b>FINANCIAL RESULTS (R'000)</b>			
Working revenue	189 618	194 743	354 361
Working costs	79 294	79 294	158 588
Working income	110 324	115 449	195 773
Sundry income	18 929	19 797	38 726
Tribute and royalties-net	(18 789)	(14 138)	(32 924)
Income before taxation and State's share of income	120 609	121 108	202 288
Taxation and State's share of income	14 152	12 815	26 967
Income after taxation and State's share of income	106 457	108 293	175 321
Capital expenditure	58 617	36 675	95 292
Dividend declared	58 617	36 675	95 292
<b>DEVELOPMENT - Buffelsfontein</b>			
Advanced (m)	1 031	962	1 993
Advanced on reef (m)	775	1 674	2 449
Sampled (m)	82	89	171
Channel width (cm)	17.3	16.5	17.0
Average value - gold (g/t)	13.50	13.50	13.50
Value - gold (cm.g/t)	58.41	52.63	55.68

**STILFONTEIN Gold Mining Company Limited**  
Company Registration No. 05/3312006  
Issued capital - 13 022 820 shares of 50 cents each.

	Quarter ended 31.12.1985	Quarter ended 30.9.1985	Year ended 31.12.1985
<b>OPERATING RESULTS</b>			
Mined (m <sup>3</sup> )	110 963	123 861	482 428
Ore milled (t)	439 000	439 000	1 789 000
Gold produced (kg)	2 440	2 411	9 828
Yield (g/t)	5.5	5.5	5.5
Working revenue (R/milled)	136.50	126.40	125.30
Working costs (R/milled)	93.56	92.07	92.07
Working income (R/milled)	42.94	34.33	33.23
Gold price received (R/kg)	24.832	23.122	23.304
Gold price received (R/oz)	270	254	254
The above figures include ore processed by Stilfontein Gold Mining Company Limited.			
<b>FINANCIAL RESULTS (R'000)</b>			
Working revenue	60 836	55 869	221 821
Working costs	41 368	41 139	158 099
Working income	19 468	14 730	63 722
Sundry income	2 167	2 378	9 101
Tribute and royalties-net	(3 820)	(3 278)	(11 883)
Income before taxation and State's share of income	17 815	13 830	60 940
Taxation and State's share of income	14 088	6 126	30 586
Income after taxation and State's share of income	3 727	7 704	30 354
Capital expenditure	1 175	1 302	6 008
Dividend declared	1 175	1 302	6 008
<b>DEVELOPMENT</b>			
Advanced (m)	5 988	6 157	35 042
Advanced on reef (m)	848	657	578
Sampled (m)	510	795	3 065
Channel width (cm)	26	50	30
Average value - gold (g/t)	41.9	6.7	48.4
Value - gold (cm.g/t)	1 069	374	2 144
Value - uranium (cm.g/t)	0.519	0.142	0.191
Value - uranium (cm.g/t)	13.50	7.15	22.48
Value - uranium (cm.g/t)	10.11	15.78	16.25

**REMARKS**  
Capital expenditure - R630 000.  
Commitments in respect of contracts placed - nil.  
Dividends - A dividend of 60 cents per share was paid on 7 November 1985.  
Gold forward sales - Working revenue includes the effect of closing out of forward sales contracts during the quarter.  
Sundry income - The mine completed 1 million underground safety free shifts on 14 November 1985.

**REMARKS**  
Capital expenditure - R627 000.  
Commitments in respect of contracts placed - R11 453.  
Dividends - A dividend of 60 cents per share was paid on 7 November 1985.  
Dump milling - A total of 62 600 tons (September quarter 42 800 tons) was milled on surface dumps.  
Gold forward sales - Working revenue includes the effect of closing out of forward sales contracts during the quarter.

**REMARKS**  
Capital expenditure - R469 000.  
Commitments in respect of contracts placed - R653 000.  
Dividends - On 2 December 1985 dividend No. 57 of 500 cents per ordinary share was declared payable to members registered on 13 December 1985, and an amount of R5.64 million was distributed to the holders of the preference shares. Dividend warrants will be posted on 30 January 1986.

**REMARKS**  
Capital expenditure - R411 000.  
Commitments in respect of contracts placed - R904 000.  
Dividends - On 2 December 1985 dividend No. 63 of 150 cents per share was declared to members registered on 13 December 1985. Dividend warrants will be posted on 30 January 1986.  
Gold forward sales - In order to ensure the profitability of its mining operations, the mine has sold forward its expected gold production to October 1986. Prices range from R21 785 per kilogram in January 1985 to R30 640 per kilogram in October 1985. The attention of shareholders is drawn to the fact that the above transactions may be closed out prior to maturity date, or rolled over at any time. The effect of transactions closed out during the quarter is brought to account in working revenue.  
Production - The square metres mined was adversely affected by a breakdown in the cooling plant serving the West sub-incline area.

**UNISEL Gold Mines Limited**  
Company Registration No. 72/1080406  
Issued capital - 28 000 000 shares of no par value.

	Quarter ended 31.12.1985	Quarter ended 30.9.1985
<b>OPERATING RESULTS</b>		
Mined (m <sup>3</sup> )	68 438	67 552
Ore milled (t)	346 000	346 000
Gold produced (kg)	2 381	2 311
Yield (g/t)	3.5	3.4
Working revenue (R/milled)	153.39	153.39
Working costs (R/milled)	53.38	51.72
Working income (R/milled)	100.01	101.67
Gold price received (R/kg)	27.841	22.183
Gold price received (R/oz)	324	318
<b>FINANCIAL RESULTS (R'000)</b>		
Working revenue	66 672	52 909
Working costs	18 418	17 844
Working income	48 254	35 065
Sundry income	2 137	2 884
Mining fee (R'000)	(1 888)	(1 888)
Income before taxation and State's share of income	48 703	36 343
Taxation and State's share of income	31 885	22 322
Income after taxation and State's share of income	16 818	14 021
Capital expenditure	1 478	21 000
Dividend declared	1 478	21 000

**MARIEVALE Consolidated Mines Limited**  
Company Registration No. 05/0778006  
Issued capital - 4 500 000 shares of 25 cents each.

	Quarter ended 31.12.1985	Quarter ended 30.9.1985	Year ended 31.12.1985
<b>OPERATING RESULTS</b>			
Mined (m <sup>3</sup> )	91 000	78 000	355 000
Ore milled (t)	282	248	1 138
Gold produced (kg)	1 138	1 138	4 500
Yield (g/t)	12.5	14.6	12.5
Working revenue (R/milled)	78.38	67.86	70.52
Working costs (R/milled)	56.80	52.18	53.50
Working income (R/milled)	21.58	15.70	17.02
Gold price received (R/kg)	26.54	20.18	22.81
Gold price received (R/oz)	324	218	251
<b>FINANCIAL RESULTS (R'000)</b>			
Working revenue	7 133	5 295	25 035
Working costs	5 170	4 850	18 352
Working income	1 963	1 445	6 683
Sundry income-net	139	319	1 062
Tribute and royalties-net	(419)	(17)	(422)
Income before taxation	1 683	1 747	7 323
Taxation	1 177	1 177	3 777
Income after taxation	506	570	3 546
Capital expenditure	49	49	310
Dividend declared	1 177	1 177	3 777
<b>DEVELOPMENT</b>			
Advanced (m)	511	767	2 981
Advanced on reef (m)	227	437	1 602
Sampled (m)	419	437	1 602
Channel width (cm)	46	46	46
Average value - gold (g/t)	4.5	10.8	7.8
Value - gold (cm.g/t)	445	831	46

**Beatrix division**  
In terms of an agreement, Buffelsfontein mines the mining lease area of Beatrix in the Buffelsfontein area. The results are as follows:

	Quarter ended 31.12.1985	Quarter ended 30.9.1985	6 months ended 31.12.1985
<b>OPERATING RESULTS</b>			
Mined (m <sup>3</sup> )	120 456	114 464	234 920
Ore milled (t)	510 000	490 000	970 000
Gold produced (kg)	2 880	2 887	5 767
Yield (g/t)	5.3	5.8	5.4
Working revenue (R/milled)	143.85	130.85	137.58
Working costs (R/milled)	95.15	71.74	70.35
Working income (R/milled)	282.80	288.30	290.61
Working income (R/milled)	74.50	56.11	67.20
Gold price received (R/kg)	27.57	23.98	25.37
Gold price received (R/oz)	324	265	284
<b>FINANCIAL RESULTS (R'000)</b>			
Working revenue	79 264	80 190	133 454
Working costs	35 289	33 000	68 289
Working income	43 975	47 190	65 165
Sundry expenditure-net	17 325	11 434	28 759
Royalty payments (R'000)	10 930	8 029	20 919
Income before taxation	9 660	6 727	16 407
Taxation	8 060	6 727	16 407
Income after taxation	1 600	0	0
Capital expenditure	1 202	1 582	3 184
Dividend declared	1 202	1 582	3 184
<b>DEVELOPMENT - Beatrix Reef</b>			
Advanced (m)	8 067	8 566	16 633
Advanced on reef (m)	2 227	2 253	4 480
Sampled (m)	2 103	2 815	4 718
Channel width (cm)	62	65	64
Average value - gold (g/t)	16.7	16.2	17.2
Value - gold (cm.g/t)	1 158	1 056	1 101

**REMARKS**  
Capital expenditure - R469 000.  
Commitments in respect of contracts placed - R653 000.  
Dividends - On 2 December 1985 dividend No. 57 of 500 cents per ordinary share was declared payable to members registered on 13 December 1985, and an amount of R5.64 million was distributed to the holders of the preference shares. Dividend warrants will be posted on 30 January 1986.

**REMARKS**  
Capital expenditure - R469 000.  
Commitments in respect of contracts placed - R653 000.  
Dividends - On 2 December 1985 dividend No. 57 of 500 cents per ordinary share was declared payable to members registered on 13 December 1985, and an amount of R5.64 million was distributed to the holders of the preference shares. Dividend warrants will be posted on 30 January 1986.

**REMARKS**  
Capital expenditure - R469 000.  
Commitments in respect of contracts placed - R653 000.  
Dividends - On 2 December 1985 dividend No. 57 of 500 cents per ordinary share was declared payable to members registered on 13 December 1985, and an amount of R5.64 million was distributed to the holders of the preference shares. Dividend warrants will be posted on 30 January 1986.

**REMARKS**  
Capital expenditure - R469 000.  
Commitments in respect of contracts placed - R653 000.  
Dividends - On 2 December 1985 dividend No. 57 of 500 cents per ordinary share was declared payable to members registered on 13 December 1985, and an amount of R5.64 million was distributed to the holders of the preference shares. Dividend warrants will be posted on 30 January 1986.

**REMARKS**  
Capital expenditure - R469 000.  
Commitments in respect of contracts placed - R653 000.  
Dividends - On 2 December 1985 dividend No. 57 of 500 cents per ordinary share was declared payable to members registered on 13 December 1985, and an amount of R5.64 million was distributed to the holders of the preference shares. Dividend warrants will be posted on 30 January 1986.

**WINKELHAAK Mines Limited**  
Company Registration No. 55/0326006  
Issued capital - 12 180 000 shares of R1 each.

	Quarter ended 31.12.1985	Quarter ended 30.9.1985
<b>OPERATING RESULTS</b>		
Mined (m <sup>3</sup> )	157 017	158 538
Ore milled (t)	601 000	606 000
Gold produced (kg)	3 114	3 114
Yield (g/t)	5.0	5.0
Working revenue (R/milled)	152.48	133.03
Working costs (R/milled)	52.61	52.61
Working income (R/milled)	201.36	180.78
Gold price received (R/kg)	52.12	52.12
Gold price received (R/oz)	573.83	22 510
Gold price received (R/oz)	325	322
<b>FINANCIAL RESULTS (R'000)</b>		
Working revenue	91 841	80 817
Working costs	31 517	30 246
Working income	60 324	50 571
Sundry income	3 463	3 208
Tribute and royalties-net	(710)	(569)
Income before taxation and State's share of income	62 767	53 010
Taxation and State's share of income	43 626	34 520
Income after taxation and State's share of income	19 141	18 490
Capital expenditure	2 485	3 988
Dividend declared	2 485	3 988
<b>DEVELOPMENT - Kimberley Reef</b>		
Advanced (m)	4 249	4 542
Advanced on reef (m)	877	770
Sampled (m)	686	720
Channel width (cm)	34	34
Average value - gold (g/t)	10.1	10.2
Value - gold (cm.g/t)	1 029	1 051

**REMARKS**  
Capital expenditure - R469 000.  
Commitments in respect of contracts placed - R653 000.  
Dividends - On 2 December 1985 dividend No. 57 of 500 cents per ordinary share was declared payable to members registered on 13 December 1985, and an amount of R5.64 million was distributed to the holders of the preference shares. Dividend warrants will be posted on 30 January 1986.

**WEST RAND Consolidated Mines Limited**  
Company Registration No. 01/0197806  
Issued capital - 4 250 000 ordinary shares of R1 each.  
- 25 000 deferred shares of R2 each.

	Quarter ended 31.12.1985	Quarter ended 30.9.1985	Year ended 31.12.1985
<b>OPERATING RESULTS</b>			
Mined (m <sup>3</sup> )	108 323	110 054	431 038
Ore milled (t)	488 300	487 600	1 975 500
Gold produced (kg)	1 020	1 011	4 056
Yield (g/t)	2.1	2.0	2.1
Working revenue (R/milled)	50.78	44.02	44.30
Working costs (R/milled)	42.53		



INTERNATIONAL COMPANIES and FINANCE

Further gains in Eurodollar sector

BY MAGGIE URRY
ANOTHER DAY of recovery in the Eurodollar market, with prices rising by 1/4 to 1/2 point and more in recent issues.

only about 20 basis points above the 10-year US Treasury bond. Traders said the bonds were bid outside the full fees at the close yesterday, while syndication was still in progress.

coupon of 1/2 per cent over Singapore inter-bank offered rate (Sibor) and fees total 150 basis points. The issue was not traded actively in London yesterday.

result, lead manager CSFB-Effektenbank took the unusual syndication route. The Swiss franc foreign bond market was stable yesterday.

Big Swiss banks to cut bond commissions

BY WILLIAM DUFFICE IN GENEVA
SWITZERLAND'S BIG bank syndicate, which dominates the Swiss franc bond market, is reducing its commissions, in order to attract foreign borrowers, according to a communiqué from Union Bank of Switzerland.

Paris wakes up to the threat from London

BY DAVID MARSH IN PARIS
It is hardly surprising that Paris has been experiencing a range of head-hunting exercises and financial regroupings which are starting to take on a distinct international flavour.

Most notable has been the departure announced last week of Mr David Dantresse, the chairman of Credit du Nord, to head a new financial services department at Lazard Freres.



Mr David Dantresse, leaving Credit du Nord for Lazard Freres

Chairman of Credit du Nord, to head a new financial services department at Lazard Freres. Several small but combative securities and money broking houses have recently been set up to profit from the buoyant market conditions.

A further enticement is the prospect that remaining French exchange controls will progressively be phased out after the March elections. This would open the way for more innovative fund management in areas like futures and options and would also strengthen the role of Paris as a financing centre for international borrowers.

The CI issue caused controversy in Paris because of the role played in placing the shares abroad by Dillon Read's London investment banking arm, headed by Mr Pierre Poulenc, the former Paris chairman who was forced to resign by the Socialist government in 1981 in a row over nationalisation.

Tokyo plans study of stock index futures

BY YOKO SHIBATA IN TOKYO
THE TOKYO Stock Exchange, which launched a futures contract on Japanese government bonds last year, is to undertake a study of stock index futures.

More negotiations for ENEL

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT
FLUSHED WITH the success of its recent \$300m Euronote, ENEL, Italy's electricity utility, has turned its attention once more to renegotiating older credits.

Unusually for a corporate deal, this credit does not carry a Euronote option and is designed principally to back up the issue of commercial paper in the US. The borrower reckons that it is making a substantial cost saving on the annual commitment fee for a Eurocredit rather than a US domestic borrowing.

Among other new deals this week, Chuo Trust, the Japanese investment house, has launched a \$200m certificate of deposit programme with Citicorp as sole dealer.

German utility to raise DM 500m

REINHOLD - Westfälische Elektrizitätswerk (RWE), West Germany's biggest electricity utility, is planning a warrant issue of bonds of up to DM 500m in the next few weeks, to help finance its current five-year investment programme, worth some DM 15bn, writes Rupert Corawell in Bonn.

terday that the offering, the terms of which have yet to be fixed, will take place shortly after the company's annual meeting on February 27. Shareholders are likely to be asked to approve an increase of DM 200m in the authorised capital from the current DM 2.25bn.

help finance its investment programme, which will partly be directed towards improving environmental standards. In the year to June 1985, RWE boosted turnover by 6.2 per cent to DM 15bn. The total of electricity supplied climbed by 3.5 per cent to 125.9bn kilowatt hours.

Goldman Sachs man recruited by Merrill

BY ALEXANDER NICOLL
MERRILL LYNCH Europe is to seek a greater role in syndicated international equities issues with the appointment of Mr Richard Lutyns, a Goldman Sachs vice president, as a managing director in its investment banking group.

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market. Closing prices on January 15

Table with columns: US DOLLAR STRAIGHTS, OTHER STRAIGHTS, CONVERTIBLE, FLOATING RATE, NOTES, DOMESTIC BOND MARKETS. Lists various bond issues with their respective prices and yields.

Fresh buying in Frankfurt

Domestic bond prices ended higher in active bourse trading in Frankfurt, with foreign and domestic investors opening fresh positions after the US credit market's recovery.

Trading was extended for the fifth time in the New Year due to heavy turnover in shares. The longer end of the bond market gained most strongly, adding around 35 pfennigs, while short maturities rose by as much as 10 pfennigs.

In Zurich, government bond prices rose slightly where changed. The two 4 1/2 per cent Swiss Federal bonds listed on the primary market rose 0.25 points each and both closed at 102.5 per cent.

Edf issue planned

The State-run Electricite de France (Edf) is planning to launch a domestic bond issue expected to be up to FF 5bn.

Edf said it had requested Treasury authorization for an issue towards the end of January but declined to comment on the amount or terms. Agencies

Advertisement for Companhia Nacional de Petroquímica, EP. Includes logo, company name, DEM100,000,000, Fixed Rate Loan, and list of banks: Bankers Trust International Limited, The Daiwa Bank, Limited, The Mitsubishi Bank, Limited, Schröder, Münchmeyer, Hengst & Co., Bank, The Sumitomo Trust & Banking Co., Ltd, The Toyo Trust and Banking Company, Limited.

© The Financial Times Ltd. 1986. Reproduction in whole or in part in any form not permitted without written consent. Data supplied by DATASTREAM International.

INTL. COMPANIES & FINANCE

Wong Sulong on a confrontation between two former friends Battle for Promet comes to a head

A SIMMERING battle between two prominent businessmen from Malaysia and Singapore for the control of Promet—former stock market favourite among local and foreign investors alike—is now in the open and is due to be resolved at an extraordinary general meeting next Wednesday.

Expected to lose

It is widely expected by financial analysts in Kuala Lumpur that Tan Sri Ibrahim will lose the contest. Datuk Chang and his family own between 30 and 40 per cent of Promet, while Tan Sri Ibrahim's stake is believed to be about 10 per cent.

The two men were friends during their student days in London. Their split casts a big question mark over the future direction of Promet, the marine engineering and construction group which has more than 100 companies incorporated in 12 countries, including Malaysia, Singapore and Hong Kong.

In 1980, while in their late 30s, the two took over the loss-making Bovis South East Asia from P & O of the UK, renamed it Promet (short for Progressive Methods), and turned it into one of the most sought-after shares on the

Malaysian and Singapore stock exchanges. Investors were attracted by the growth potential under the dynamic duo. Datuk Chang had by then built up what was one of the biggest and most profitable oil rig businesses in South East Asia and Tan Sri Ibrahim was hot currency because of his close personal links with Dr Mahathir Mohamad, the Malaysian Prime Minister.

The Ibrahim-Chang partnership also came at a time of improvement in the political and business environment between Malaysia and Singapore after many years of frosty relations.

By the end of 1983, the group was ranked 14th among companies on the Kuala Lumpur Stock Exchange, with a market capitalisation of 1,080m ringgit (US\$450m). Its shares, which at one stage were chased up to 11 ringgit, have over the past two years experienced a free fall. They now sell at around 80 cents—below the 1 ringgit par value—capitalising the company at only 268m ringgit. It now ranks 77th on the KLSE.

From pre-tax profits of 115m ringgit in 1983, earnings fell sharply to 68m ringgit in 1984, and 14.5m ringgit for the first six months of 1985.

In the heady days when it seemed almost nothing could go wrong, Tan Sri Ibrahim, as executive chairman, operated from Kuala Lumpur and looked after the construction side of the business, while Datuk Chang, as managing director, stayed in Singapore and concerned himself with oil rigs and marine engineering works.

Commitments were often made by one party and later confirmed over the telephone with the other. "It was a very relaxed relationship, and for a while, it worked out well," said

a banker familiar with the Promet group.

Strains emerged when Tan Sri Ibrahim began to diversify his business interests. He became a major shareholder in Selangor Properties, which is developing 54 acres of commercial land in Kuala Lumpur and is caught in the office property glut. He also became managing director of Iridis Hydraulic, the listed vehicle of the ruling United Malays National Organisation.

Datuk Chang found himself having to spend more and more time in Kuala Lumpur.

The fortunes of Promet also took a sharp downturn with the fall-off in orders for oil rigs and the decline in the construction industry, and this aggravated matters. Several major investment decisions now appear to have been ill-timed. In 1983, Promet committed US\$160m to oil exploration in China, Indonesia and Malaysia and, despite optimistic remarks by directors, these investments are not expected to yield the rewards commensurate with the risks taken.

Lukewarm interest

Promet was also given a government franchise to develop Langkawi Island in northern Malaysia into a major tourist resort. The project is expected to cost more than US\$1bn, but foreign and local investors have so far shown lukewarm interest in participating in various opportunities offered by the project.

Meanwhile borrowings had steadily risen to 270m ringgit, which while not dangerously high, were a cause for concern. Tan Sri Ibrahim and his brother, Abdullah, who is also a director of Promet, is how one addition believed to be saddled

with sizeable personal loans which the banks are pressing them to repay. Last week Overseas Union Bank of Singapore filed a High Court suit seeking to recover US\$25m from Abdullah, who is reported to be in the US for medical treatment.

Problems between Tan Sri Ibrahim and Datuk Chang came to a head when the former signalled his intention to inject his 19 per cent stake in Selangor Properties into Promet.

He was believed to have obtained the 55m shares at around 3 ringgit per share, while the market price is below 1.4 ringgit.

Datuk Chang refused to agree because of the price. Tan Sri Ibrahim was reported to have countered with an offer to buy his partner's stake in Promet, which was also turned down.

Both men maintain that despite its present difficulties, Promet is in reasonably good shape, with a viable future. The oil rig business with areas of marine engineering has been trimmed with the loss of 2,500 jobs over the past two years. Promet has construction activity worth several hundred million ringgit in hand.

Tan Sri Ibrahim believes that Promet, while incorporated in Malaysia, is controlled by the Malaysian Government as a foreign company, and loses out on major contracts because of this. He wants it to increase the level of locally held equity.

Whether he has his way, or finds himself out of the company, will be decided at the meeting on the 33rd floor of Promet Towers in Kuala Lumpur next Wednesday.

"Two tigers cannot stay on one mountain" is how one banker described the split.

Malaysia—Singapore exchange ties attacked

BY WONG SULONG IN KUALA LUMPUR

A LEADING Malaysian merchant banker, who is advising the Government on reforms in the securities industry, has called for a re-examination of the close links between the Malaysian and Singapore stock exchanges, with a view to severing some of these ties.

Datuk Malek Marican, managing director of Arab Malaysian Merchant Bank, said the "Siamese twin" relationship between the two stock markets was historical, and the current problems relating to forward-share purchase contracts—blown up by the crisis in Pan-Electric Industries, the Singapore marine salvage and property group—have highlighted the need to ask whether such close

links were beneficial to either exchanges.

He noted that while the Malaysian authorities no longer allow new Singapore companies to be listed on the Kuala Lumpur Stock Exchange (KLSE), new Malaysian companies are still allowed ex listing on the Stock Exchange of Singapore (SES). As a result, 185 of the 315 companies on the SES are Malaysian-based. These companies accounted for 52 per cent of the volume of all shares traded on the SES in 1984, the latest year for which figures are available.

"Malaysia clearly needs to improve the capacity of its sharebrokers to trade in bigger blocks with international

brokers and fund managers who up to now tend to trade in Malaysian shares through Singapore brokers," Datuk Malek said.

A substantial portion of SES transactions in shares of Malaysian companies related to speculative second and third liners, rather than the blue chips, he noted.

"In fact, a portion of the more dubious transactions that occur in Singapore relate to the more speculative Malaysian shares. It is common knowledge that syndicates which try to rig share prices operate on both sides of the Causeway."

Datuk Malek said the Malaysian authorities should consider preventing smaller

Malaysian companies from listing in Singapore and Hong Kong, in order to curb such manipulation.

He also called for the creation of a securities market commission, with a full-time commissioner and strong secretariat, to regulate and develop the Malaysian securities industry.

At the moment, the supervision of the industry is split among various bodies, including the KLSE committee, the capital issues committee, the foreign investment committee and the proposed takeover panel. Quite often, these authorities duplicate work, and companies and their merchant bank advisers encounter long delays in getting proposals approved by all these bodies.

Japanese store operator starts investment advice

BY YOKO SHIBATA IN TOKYO

DAI'EI, Japan's largest supermarket chain operator, is next month to launch an investment advisory business in co-operation with Morgan Grenfell, the UK merchant bank.

Dai'ei Investment Advisory Company, the new subsidiary, is believed to be the first investment counselling business to be launched by a non-financial institution in Japan. It will be Tokyo-based and, although capitalised at just ¥1,000m (\$93,000) will be headed by Mr Iso Nakachi, president of

Dai'ei. At the initial stage it plans to concentrate on portfolio management for the pool of surplus funds within the Dai'ei group. It intends to accumulate fund management expertise, vying in the future with those investment advisory companies affiliated to commercial banks.

According to Dai'ei, the company has been negotiating with Morgan Grenfell to reach an operational agreement which would supply it with fund management advice.

Gencor mines earnings lifted by gold price rise

BY KENNETH MARSTON, MINING EDITOR

THE AVERAGE gold price received by the 12 South African gold mines in the Gencor group in the December quarter rose to R26,829 per kilogram from R22,278 in the previous three months. Among the resultant profit increases, Buffelsfontein showed up well with a rise of nearly 50 per cent to a net R47.5m (\$14.1m or \$20.3m).

Gold production at Buffels was lower in the latest quarter, but uranium revenue recovered sharply from the low level of the previous three months and a first share of income (R5m) was received from the young Beatrix mine. The latter lifted profits by 44 per cent further to R9.68m.

The marginal West Rand Consolidated saw a rebound in

earnings after the fall recorded in the December quarter and also qualified for a tax credit.

Silfontein received a lower-than-average gold price and the tax charge was inflated by an adjustment arising from the replacement of the state aid formula by the mining formula. However, the mine still emerged with a higher net profit thanks to the receipt of a half-yearly dividend from the Chemwax uranium treatment subsidiary. The change in the tax formula also resulted in higher tax for Leslie, which consequently came out with a lower net profit.

Bracken also earned less in the latest quarter. Gold production fell in line with a lower ore grade, while tax increased.

GOLD MINE RESULTS

Table with columns: Mine Name, Dec quarter, Sept quarter, June quarter, Dec quarter, Sept quarter. Rows include Beatrix, Bracken, Buffels, Grootevlei, Kinross, Leslie, Marikana, St Helena, Silfontein, Umlaas, West Rand Consolidated, Wintbank.

THE NIPPON CREDIT BANK (CURAÇAO) FINANCE N.V. US\$50,000,000 Guaranteed Floating Rate Notes due 1986. Payment of the principal of, and interest on, the Notes is unconditionally and irrevocably guaranteed by THE NIPPON CREDIT BANK LTD. (Kabushiki Kaisha Nippon Soiken Shinyo Ginko).

iberpistas Iberica de autopistas, s.a. concesionaria del estado U.S.\$18,000,000 Serial Floating Rate Mortgage Notes Due 1986. For the six month period 15th January, 1986 to 15th July, 1986 the Notes will bear an interest rate of 9 1/8% and a coupon amount of U.S.\$229.39 payable on 15th July, 1986.

AIBD BOND INDICES WEEKLY EUROBOND GUIDE JANUARY 16, 1986. Table with columns: Redemption Yield, Change on Week, 12 Months High, 12 Months Low. Rows include US Dollar, Canadian Dollar, Euroquidder, Euro Currency Unit, Sterling, Deutschemark.

Hudson's Bay Company U.S. \$50,000,000 FLOATING RATE NOTES DUE JULY 1989. In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six month period (181 days) from 16th January, 1986 to 16th July, 1986 has been fixed at 8 1/4% per annum.

BEAR STEARNS This announcement appears as a matter of record only. \$36,500,000 New Jersey National Corporation 8 3/4% Convertible Subordinated Debentures Due 2010 We acted as agent in the placement of these debentures. Bear, Stearns & Co. Inc. New York/Atlanta/Boston/Chicago/Dallas/Los Angeles/San Francisco Amsterdam/Geneva/Hong Kong/London/Paris January 1986

Q Hydro-Québec CAN. \$250,000,000 Floating Rate Debentures Serie GD Due 1991 arranged by NATIONAL BANK OF CANADA September 1985

Weekly net asset value Tokyo Pacific Holdings (Seaboard) N.V. on 13th January 1986 U.S. \$106.45 Listed on the Amsterdam Stock Exchange Information: Pierson, Holding & Pierson N.V., Herengracht 214, 1016 ES Amsterdam.

CRÉDIT D'ÉQUIPEMENT DES PETITES ET MOYENNES ENTREPRISES up to US\$200,000,000 Guaranteed Floating Rate Notes Due 1996 For the six months 15th January 1986 to 15th July 1986 the Notes will carry an interest rate of 7 1/4% per annum and Coupon amount of US\$395.94 per US\$1,000 Note, payable 15th July, 1986.

800,000 Shares United Virginia Bankshares Incorporated Common Stock The undersigned acted as agents in the direct placement of the shares with institutional investors in Europe. Shearson Lehman Brothers Inc. Morgan Stanley & Co. Incorporated December 23, 1985





UK COMPANY NEWS

Lotus suspension fuels bid speculation

BY JOHN GRIFFITHS

SHARES IN Group Lotus, the sports car and engineering concern, were suspended at 12.15 yesterday at the company's request. No explanation was given other than that the suspension was "pending an announcement."

Bailey discusses selling Bristol Shiprepairers

Mr Christopher Bailey, the flamboyant marine engineer, is in talks over the possible sale of Bristol Channel Shiprepairers in which he holds a near 80 per cent stake.

Plantation companies' shares suspended

Shares in two plantation companies — Anglo Indonesian Corporation and Plantation and General Investments — were suspended yesterday as the groups announced they were holding talks on a merger.

Guinness man named in bid for Macarthys

BY DAVID GOODHART

Jadelle, the new company formed by the investment trust John Govett to bid for Macarthys Pharmaceuticals, yesterday revealed the identity of its mystery executive who will take over the pharmaceuticals company if the £34.9m bid succeeds.

Morgan Crucible in fresh attack on First Castle

MORGAN CRUCIBLE yesterday challenged the investment spending and taxation policies of First Castle Electronics for which it made a hostile £41m bid just over a month ago.



Growth continues HALF YEAR PROFITS UP 41%

Interim Results

Table with 3 columns: Metric, 6 months ended 31st October 1985, 6 months ended 31st October 1984. Rows include Turnover, Profit before taxation, Taxation, Extraordinary item, Profit after taxation and Extraordinary item, Earnings per share.

Dividend: An interim dividend of 0.5 pence per ordinary share will be paid on 27th February, 1986 to shareholders on the Register on 6th February, 1986.

Mr. B.J. Gibbens, Chairman, reports: CAP continues to grow profitably and in the first six months of 1985/6 has won significant orders in all sectors of the business.

CAP Group plc 233 High Holborn, London WC1V 7DJ Telephone: 01-831 6144

Ensign Trust in champagne move

Ensign Trust, the quoted investment trust controlled by the Merchant Navy Officers' Pension Fund, has paid £2.7m for a 10 per cent stake in Charles Heidsieck, France's seventh largest champagne house, which has stocks of 12m bottles.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unutilised vacancies (000s). All seasonally adjusted.

Table with 5 columns: Year, Prod. output, Eng. order, Retail vol, Retail unemp. Rows for 1984 and 1985 quarterly and monthly data.

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufactures, leather and clothing (1980=100); housing starts (000s, monthly average).

Table with 5 columns: Year, Consumer goods, Invest. goods, Intmd. goods, Metal output. Rows for 1984 and 1985 quarterly and monthly data.

EXTERNAL TRADE—Indices of export and import volume (1980=100); trade balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

Table with 5 columns: Year, Export volume, Import volume, Visible balance, Current balance, Oil balance, Terms trade, Rev. trade. Rows for 1984 and 1985 quarterly and monthly data.

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; H.P., new credit; all seasonally adjusted. Clearing Bank base rate (end period).

Table with 5 columns: Year, M0, M1, M3, Advances, Inflow, HP, lending rate. Rows for 1984 and 1985 quarterly and monthly data.

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail, wholesale prices of food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

Table with 5 columns: Year, Earnings, Basic matls, Whsale, RPI, Foods, FT, comdty, Strig. Rows for 1984 and 1985 quarterly and monthly data.

IN BRIEF

BRITISH TELECOM has purchased GTE Directories, its southern sales contractor for Yellow Pages. The agreed takeover was effective from January 1.

BRENNER, the Glasgow based department store, announced that its hostile £9m takeover bid for George Dew, the engineering group, had lapsed.

FINANCIAL TIMES BOOKLETS

The following booklets are available from the Financial Times: Capital Gains. The key figures to calculating your tax £4.50. How to compete on equal terms £3.75. Venture Capital £3.50. Jobs, pay, unions & ownership of capital £1.50.

A FINANCIAL TIMES SURVEY STORAGE & HANDLING

Wednesday, 12 March 1986. For any further information please contact: MARK FISHER on 01-248 8900 ext 3389.

LADBROKE INDEX

1,106.110 (+10) Based on FT Index Tel: 01-427 4411

THE POWER BEHIND SUCCESSFUL RETAILING

Interim profits up 140% to £30.1m

- Sales up 112% to £451.3m
● Earnings per share up 43% to 21.6p
● Interim dividend up 20% to 2.31p per share
● 3 for 1 scrip issue proposed

Table with 3 columns: Metric, 1985/6, 1984/5. Rows include Sales, Profit before Tax, Earnings per share, Dividend.

Christmas trading has been excellent and shareholders can clearly anticipate further substantial profit growth for the full year. Stanley Kalms, Chairman (extract from the interim statement)

Advertisement for Dixons, Currys, DCP, MASTERCARE, POWERCITY, saisho, MIRANDA, CARLTON, Fotopost, MITSUBI, TRUPRINT, Horizon. Includes address: Dixons Group plc, 18-24 High Street, Edgware, Middlesex.



# UK COMPANY NEWS



Union de Banques Arabes et Françaises—U.B.A.F. have announced their acquisition of a 51% shareholding in UBAN International Limited in Hong Kong.

This significant development is yet another success of U.B.A.F. in completing their network coverage of the Far East and South-East Asia.

U.B.A.F. is already present in Tokyo, Seoul and Singapore. A new branch is due to be opened shortly in Osaka.

The new acquisition of the majority holding in UBAN International Limited substantially adds to the active role of U.B.A.F. in financing Far Eastern international trade and more particularly the Chinese international trade.

## Howden Group profits hit by stronger pound

Howden Group yesterday reported virtually unchanged interim profits, blaming the adverse effect of sterling's strength on overseas earnings.

Taxable profits were \$4.1m, against \$4.0m, for the six months to end-October, 1985. Turnover was \$2m lower at \$88m.

Mr. R. C. Meech, the chairman, says in general, trading and order intake for group companies' products were in line with expectations. Howden is an engineer and design and manufacturer of gas and fluid handling equipment.

He anticipates that the full year profit will advance broadly in line with the first half, although exchange rate movements make the sterling equivalent of overseas results uncertain. Profits for the 1985-86 year were \$11.7m pre-tax.

An unchanged interim dividend of 0.9p is being paid. Earnings per share were higher at 4.5p against 3.9p, after tax of £1.33m (£1.33m).

The chairman says that Howden Wind Parks, formed last year to promote involvement in the US market for wind farms, has just finalised its first major deal in the Altamont Pass area of California which has been sold on a leveraged lease basis for \$48m (\$28m).

The farm consists of 75 wind turbine generators, each of 330 kw. Under the sale terms, Howden Wind Parks will lease and operate the farm.

Under the sale terms, Howden Wind Parks will lease and operate the farm.

• Comment

With almost 60 per cent of its business overseas, currency movements have clearly had an adverse impact on Howden's earnings. The company was not giving much away yesterday but the market took a charitable view (forecasts had been £200,000 or more above the actual \$4.1m profit) ahead of analyst meetings planned over the next couple of days and the shares closed at 95p.

The obvious high spot in Canada where the group has a 21 per cent interest in Brown Boveri. The minority charge is down by a quarter, much of that reflecting a shortfall by the Canadian subsidiary on a lower workload. The statement says that the year profits are likely to come out in the region of \$12m against earlier expectations of around £12.5m.

Under the sale terms, Howden Wind Parks will lease and operate the farm.

• Comment

With almost 60 per cent of its business overseas, currency movements have clearly had an adverse impact on Howden's earnings. The company was not giving much away yesterday but the market took a charitable view (forecasts had been £200,000 or more above the actual \$4.1m profit) ahead of analyst meetings planned over the next couple of days and the shares closed at 95p.

## HunterPrint plans to seek full listing

HunterPrint, the commercial colour printer quoted on the UK stock exchange since October 1982, is to seek a full listing.

The Corby-based company has announced a year of rising turnover and profit, and anticipates continued growth following consistent investment in new machinery.

In the year ended September 30, 1985, pre-tax profits were £1.6 per cent higher to £2.2m after an exceptional debit of £120,000. Tax amounted to £284,000 (£150,000) and there was an extraordinary debit of £294,000 (£35,000).

The final dividend proposed is 3.5p, making 4.7p for the year, a 17.5 per cent increase on 1984. Earnings per share were 22.6p to 25.5p, up 13.4 per cent.

Turnover rose £11.2m to £47.5m. The company said the installation of new equipment at all stages of production throughout the year had been a major factor during the year. The product base had been broadened by the acquisition of Farnside, and it was planned to expand operations including the factory and installing more high speed form presses.

The commercial products business had also expanded, with several new publishing contracts secured, and this was expected to grow further.

## County Properties makes £6.4m after McLeod profit rise

County Properties Group, investment holding company, lifted pre-tax profits to a record £6.4m in the year ended September 30, 1985 compared with £5.5m for the previous 18 months' period.

The bulk of the increase arose from the group's 40 per cent holding in McLeod Russell, the plantations and manufacturing concern. Share of the related company's profits rose from £4.5m (for 18 months) to £5.2m (£5.2m) for the year. Property activities contributed a higher £734,000 (£512,000).

With stated earnings per "A" share up to 28.5p (£2.7p), the final dividend is 2.5p net for a total dividend 54 per cent higher on an annualised basis at 3.5p (£3.40 for 18 months).

Mr. John Guthrie, the chairman, says that following the decision to concentrate on property trading rather than investment activities the group has expanded geographically throughout the UK.

Although retaining a strong presence in Scotland and the north of England, the board's policy to expand the group's activities in London and the south and the board intends to diversify into other significant proportions of development in those areas.

Mr. Guthrie says the momentum of the group's property activities in 1985 has enabled the board to look forward to 1986 with confidence.

Turnover for the year amounted to £4.9m (£3.9m for 18 months), while profits before interest and tax came to £1.18m (£1.52m). Net interest payable and similar charges dropped from £1.0m to £455,000.

Attributable profits increased from £1.25m to £2.88m, after tax of £3.7m (£2.7m), retained company minority interest of £176,000 (£184,000) and an extraordinary charge last time of £964,000.

## Public Works Loan Board rates

Effective January 26

Quota loans repaid at 12 1/2%

Years	by EPT	A6	non-quota loans A* repaid at 12 1/2%	by EPT	A6	non-quota loans A* repaid at 12 1/2%
1	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
Over 1 up to 2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
Over 2 up to 3	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
Over 3 up to 4	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
Over 4 up to 5	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
Over 5 up to 6	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
Over 6 up to 7	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
Over 7 up to 8	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
Over 8 up to 9	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
Over 9 up to 10	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
Over 10 up to 15	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
Over 15 up to 25	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
Over 25 up to 30	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2

\* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly amounts (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

## Ryan Hotels profits over double

IRISH HOTELS group Ryan Hotels more than doubled pre-tax profits to £208,000 to £1,120,000 (£1.12m) on turnover in hotels and travel up 17 per cent in the year to October 31, 1985.

Mr. Conor McCarthy, the chairman, said all the group's hotels increased contribution to profits, and the US market was strong throughout the season. Forward bookings for 1986 were at record levels, and he looked forward to further significant profits growth in the current year.

Earnings per share rose 110 per cent from 4.45p to 4.65p. The final net dividend is 1p, making 5.65p for the year against 0.65p last year.

Profits from hotel and travel activities rose from £106,000 to £124,000. Last year's results excluded turnover from other activities of £150m.

Mr. McCarthy said he hoped the impetus from a special programme at the Gresham and Blooms Hotels, and the acquisition of the 90-bed Royal Marine Hotel in Dun Laoghaire, which had been taken up by Aer

## Lings and Bord Falte—would bring significant growth, particularly in the year to October 31, 1985.

The company had also introduced a new programme of Golden Years Holidays geared to the expansion in 1986.

Mr. McCarthy said expansion during the year had included a £400,000 development at the Limerick Hotel property, which had been taken up by Aer

## Comment

County Properties is clearly looking to the future. Since the private and largely Scottish oriented County backed into the listed Assam Trading in 1980, the company has been rated primarily on its 40 per cent holding in McLeod Russell, the tea, plantations and industrial group of the group's "A" shares (the "A" shares are enfranchised preference stock) the McLeod stake net asset value per "B" share. If the McLeod stake is sold, as seems certain, County would become a pure property company with some £70m of assets, which earned £734,000 pre-tax in the year being reported. The disposal would enable County to projects it is involved in nationwide, especially in the expensive south east. A tidying up of the family holding would also make for greater flexibility. At 134p the shares seem lowly rated as the price allows little for the property side income.

US\$ 100 000 000.-

## Credit Suisse Finance (Panama) S.A.

11 3/4% Guaranteed Notes, Series A, due 1992 and 100 000 Warrants to subscribe

US\$ 100 000 000.- 11 3/4% Guaranteed Notes, Series B, due 1992

NOTICE IS HEREBY GIVEN, pursuant to the Terms and Conditions of the captioned issues, that US\$ 5 000 000 principal amount of Series A Notes have been drawn for redemption at 101% of their principal amount.

The serial numbers of the 5 000 Series A Notes of US\$ 1 000 each, drawn for redemption and representing US\$ 5 000 000 principal amount, are as follows:

24 2461 5214	7992 10996	13202 15411	17336 19884	20594 23484	26108 28244	30411 32405	34700 36428	38876 41341	43908
41 2462 5215	8013 10728	13204 15412	17337 19885	20595 23485	26109 28245	30412 32406	34701 36429	38877 41342	43909
42 2463 5216	8034 10729	13205 15413	17338 19886	20596 23486	26110 28246	30413 32407	34702 36430	38878 41343	43910
43 2464 5217	8055 10730	13206 15414	17339 19887	20597 23487	26111 28247	30414 32408	34703 36431	38879 41344	43911
44 2465 5218	8076 10731	13207 15415	17340 19888	20598 23488	26112 28248	30415 32409	34704 36432	38880 41345	43912
45 2466 5219	8097 10732	13208 15416	17341 19889	20599 23489	26113 28249	30416 32410	34705 36433	38881 41346	43913
46 2467 5220	8118 10733	13209 15417	17342 19890	20600 23490	26114 28250	30417 32411	34706 36434	38882 41347	43914
47 2468 5221	8139 10734	13210 15418	17343 19891	20601 23491	26115 28251	30418 32412	34707 36435	38883 41348	43915
48 2469 5222	8160 10735	13211 15419	17344 19892	20602 23492	26116 28252	30419 32413	34708 36436	38884 41349	43916
49 2470 5223	8181 10736	13212 15420	17345 19893	20603 23493	26117 28253	30420 32414	34709 36437	38885 41350	43917
50 2471 5224	8202 10737	13213 15421	17346 19894	20604 23494	26118 28254	30421 32415	34710 36438	38886 41351	43918
51 2472 5225	8223 10738	13214 15422	17347 19895	20605 23495	26119 28255	30422 32416	34711 36439	38887 41352	43919
52 2473 5226	8244 10739	13215 15423	17348 19896	20606 23496	26120 28256	30423 32417	34712 36440	38888 41353	43920
53 2474 5227	8265 10740	13216 15424	17349 19897	20607 23497	26121 28257	30424 32418	34713 36441	38889 41354	43921
54 2475 5228	8286 10741	13217 15425	17350 19898	20608 23498	26122 28258	30425 32419	34714 36442	38890 41355	43922
55 2476 5229	8307 10742	13218 15426	17351 19899	20609 23499	26123 28259	30426 32420	34715 36443	38891 41356	43923
56 2477 5230	8328 10743	13219 15427	17352 19900	20610 23500	26124 28260	30427 32421	34716 36444	38892 41357	43924
57 2478 5231	8349 10744	13220 15428	17353 19901	20611 23501	26125 28261	30428 32422	34717 36445	38893 41358	43925
58 2479 5232	8370 10745	13221 15429	17354 19902	20612 23502	26126 28262	30429 32423	34718 36446	38894 41359	43926
59 2480 5233	8391 10746	13222 15430	17355 19903	20613 23503	26127 28263	30430 32424	34719 36447	38895 41360	43927
60 2481 5234	8412 10747	13223 15431	17356 19904	20614 23504	26128 28264	30431 32425	34720 36448	38896 41361	43928
61 2482 5235	8433 10748	13224 15432	17357 19905	20615 23505	26129 28265	30432 32426	34721 36449	38897 41362	43929
62 2483 5236	8454 10749	13225 15433	17358 19906	20616 23506	26130 28266	30433 32427	34722 36450	38898 41363	43930
63 2484 5237	8475 10750	13226 15434	17359 19907	20617 23507	26131 28267	30434 32428	34723 36451	38899 41364	43931
64 2485 5238	8496 10751	13227 15435	17360 19908	20618 23508	26132 28268	30435 32429	34724 36452	38900 41365	43932
65 2486 5239	8517 10752	13228 15436	17361 19909	20619 23509	26133 28269	30436 32430	34725 36453	38901 41366	43933
66 2487 5240	8538 10753	13229 15437	17362 19910	20620 23510	26134 28270	30437 32431	34726 36454	38902 41367	43934
67 2488 5241	8559 10754	13230 15438	17363 19911	20621 23511	26135 28271	30438 32432	34727 36455	38903 41368	43935
68 2489 5242	8580 10755	13231 15439	17364 19912	20622 23512	26136 28272	30439 32433	34728 36456	38904 41369	43936
69 2490 5243	8601 10756	13232 15440	17365 19913	20623 23513	26137 28273	30440 32434	34729 36457	38905 41370	43937
70 2491 5244	8622 10757	13233 15441	17366 19914	20624 23514	26138 28274	30441 32435	34730 36458	38906 41371	43938
71 2492 5245	8643 10758	13234 15442	17367 19915	20625 23515	26139 28275	30442 32436	34731 36459	38907 41372	43939
72 2493 5246	8664 10759	13235 15443	17368 19916	20626 23516	26140 28276	30443 32437	34732 36460	38908 41373	43940
73 2494 5247	8685 10760	13236 15444	17369 19917	20627 23517	26141 28277	30444 32438	34733 36461	38909 41374	43941
74 2495 5248	8706 10761	13237 15445	17370 19918	20628 23518	26142 28278	30445 32439	34734 36462	38910 41375	43942
75 2496 5249	8727 10762	13238 15446	17371 19919	20629 23519	26143 28279	30446 32440	34735 36463	38911 41376	43943
76 2497 5250	8748 10763	13239 15447	17372 19920	20630 23520	26144 28280	30447 32441	34736 36464	38912 41377	43944
77 2498 5251	8769 10764	13240 15448	17373 19921	20631 23521	26145 28281	30448 32442	34737 36465	38913 41378	43945
78 2499 5252	8790 10765	13241 15449	17374 19922	20632 23522	26146 28282	30449 32443	34738 36466	38914 41379	43946
79 2500 5253	8811 10766	13242 15450	17375 19923	20633 23523	26147 28283	30450 32444	34739 36467	38915 41380	43947
80 2501 5254	8832 10767	13243 15451	17376 19924	20634 23524	26148 28284	30451 32445	34740 36468	38916 41381	43948
81 2502 5255	8853 10768	13244 15452	17377 19925	20635 23525	26149 28285	30452 32446	34741 36469	38917 41382	43949
82 2503 5256	8874 10769	13245 15453	17378 19926	20636 23526	26150 28286	30453 32447	34742 36470	38918 41383	43950
83 2504 5257	8895 10770	13246 15454	17379 19927	20637 23527	26151 28287	30454 32448	34743 36471	38919 41384	43951
84 2505 5258	8916 10771	13247 15455	17380 19928	20638 23528	26152 28288	30455 32449	34744 36472	38920 41385	43952
85 2506 5259	8937 10772	13248 15456	17381 19929	20639 23529	26153 28289	30456 32450	34745 36473	38921 41386	43953
86 2507 5260	8958 10773	13249 15457	17382 19930	20640 23530	26154 28290	30457 32451	34746 36474	38922 41387	43954
87 2508 5261	8979 10774	13250 15458	17383 19931	20641 23531	26155 28291	30458 32452	34747 36475	38923 41388	43955
88 2509 5262	9000 10775	13251 15459	17384 19932						



UK COMPANY NEWS

Product shortage pushes Multitone into losses

A SLIPPAGE in the introduction of some new products was the main reason for a drop in turnover at Multitone Electronics in the half year ended September 30 1985...

Mr Ian Karten, chairman and chief executive, says he hopes for a profitable fourth quarter but the group will be unable to avoid a loss over the full year.

This is the second year in succession that the group is suffering a setback. In the year ended March 31 1985 the profit fell from £1.73m to £515,000...

Also, several planned products were displayed until the design and engineering centre in Basingstoke was completed.

Turnover of this communications systems designer and manufacturer in the half year fell by 13.5 per cent to £5.94m.

launched broadly according to plan, but the delay encountered affected two high volume products which are included in many of the on site systems that the group sells.

Other less significant factors affecting the half year were some reduction in operating margins and an increase in net interest costs from £38,000 to £178,000.

Further action has been taken to minimise overheads. However, in view of the importance of keeping a flow of new products, development expenditure has been maintained.

Mr Karten reports turnover in the third quarter was similar to last year and slightly ahead of the rate in the first half. Quantity shipments of the on site products are about to start and the chairman hopes for a substantial increase in total shipments and a profitable fourth quarter.

He says the reception of these products which have been released confirms the belief that they will have a positive impact in the market place, and will enable the group to expand its business next year.

PR company in Burnett ship deal

Burnett & Hallams, the troubled coal and property group, confirmed yesterday that its London public relations advisor, City and Commercial Communications, was the majority shareholder in a company formed in 1983 to buy a ship for \$27.4m and keep the deal off Burnett's balance sheet.

The formation of the company, Burnett Shipping & Finance — followed the discovery that Rand London Coal, a South African associate of Burnett, was unable to fulfil an onerous ship freight contract, which had been entered into before Burnett acquired its stake in Rand London.

To avoid the probable collapse of Rand London Coal, Burnett arranged through Mincorp Shipping & Finance to buy, on hire purchase, the bulk carrier in question in the contract, the MV Hallam Venture. Burnett had a 17 per cent stake in Mincorp, with City and Commercial holding 83 per cent.

However, Burnett guaranteed the performance of the hire purchase contract and was wholly responsible for funding Mincorp's cash requirements and losses. The nature of the MV Hallam deal was disclosed for the first time last month in documents supporting a financial rescue package for Burnett, which was approved by shareholders last Monday.

CAP Group leaps 42% to £1.2m

EXPANSION continues at CAP Group, one of the UK's leading software houses which came to the stock market last July at 120p per share.

In the half year ended October 31 1985 turnover grew by 58 per cent, from £16.06m to £25.38m, and the pre-tax profit rose by nearly 42 per cent, from £873,000 to £1.24m.

Mr B. J. Gibbons, chairman, says the group's business is seasonal with the second half producing the greater activity. Long term prospects for the group's services and products in international markets are very strong, and he expects further satisfactory growth in the second half.

An interim dividend of 0.5p net is declared, costing £109,000 — it is equal to one-third of the total forecast in the prospectus.

For the year 1984-85 pre-tax profit was £2.12m. The chairman says the hardware element of turnover arising from turnkey contracts has increased sharply.

Since July, the group has completed the integration of Applied Communications and a substantial part of the reorganisation of the group into three operating divisions. It has increased its investment in technical resources, strategic market development and staff training.

The group has also achieved in defence and in financial services. However, a number of projects in the advanced manufacturing technology area tendered for in the UK are still subject to delayed decisions.

After tax £498,000 (£387,000) the net profit for the half year

came to £743,000 (£506,000), equal to basic earnings of 3.9p (3.1p) and fully diluted of 3.7p (2.9p) per share. On top of that is an extraordinary credit of £377,000, net on the disposal of a 50 per cent interest in Stephen Howe, a wholly owned subsidiary, to Westland.

comment

CAP's flotation last year could scarcely have come at a worse time, with the whole sector on the skids and the market still raw from the Micro Focus incident. Things have stabilised since then, and a stronger now single out software companies like CAU and Systems Designers for preferential treatment. These results show that CAP deserves such treatment, with profits from all sides of its business showing a strong rise, and the Singapore operations now back in profit.

Stripping out the interest received on the issue proceeds, profits were up by about a third. Margins were down, but this was mainly a reflection of a higher than usual percentage of hardware sales in the total. After a stronger second half, profits for the year should be about £3.3m, although the exact figure will depend on the timing of several large contracts.

The industry background is set fair for the next year at least, with defence, financial and industrial sectors all buoyant. The shares have done well since the flotation, but now, on a prospective p/e of 20 at 185p, they have more than caught up with the likes of System Designers and Logica.

Société Générale US \$250,000,000 Floating Rate Notes 1990/1995 NOTICE OF REDEMPTION Notice is hereby given that, in accordance with the terms and conditions of the Notes, Société Générale has elected to redeem on 4th March 1986, all of the outstanding Notes at their principal amount...

McDonnell Douglas Finance Corporation International N.V. U.S. \$50,000,000 17% Guaranteed Notes Due 1989 NOTICE OF REDEMPTION Notice is hereby given that McDonnell Douglas Finance Corporation International N.V. has elected to redeem all of its outstanding 17% Guaranteed Notes Due 1989 (the "Notes") on February 15, 1986...

Granville & Co. Limited Member of The National Association of Security Dealers and Investment Managers 8 Lovat Lane London EC3R 9BP Telephone 01-621 1212 Over-the-Counter Market High Low Company Price Change div. (p) % Actual taxed Fully P/E

Standard Securities 10% higher Standard Securities, property concern, achieved continuing growth in the year to September 30 1985, with pre-tax profits up by 10 per cent from £1.56m to £1.72m. After tax of £698,000 (£714,000) earnings per 25p share were ahead from 7.37p to 8.82p. A final dividend of 2.78p raises the net total from 3.65p to 4.05p. As at the end of September 1985 net assets showed an advance to 217p (203p). Mr Gerald Leigh, the chairman, said the sale of 33 Great Smith Street, London, SW, for £7.5m, would enable the group to proceed with its programmed policy for growth despite the recent rise in interest rates. Rental income for the period improved from £2.19m to £2.32m, but net trading income was lower at £1m, against £1.4m. Other operating income rose from £51,000 to £148,000. Pre-tax profits were struck after property management and outgoings £335,000 (£385,000), administration expenses £497,000 (£571,000) and interest payable £297,000 (£312,000).

Bett Brothers profits decline to £824,000 Bett Brothers, the Scottish housebuilding and property concern, suffered a 37 per cent fall in pre-tax profits from £1.32m to £824,000 for the year ended August 31 1985. The result was in line with the forecast of about £0.8m, made when the group reported a 32 per cent drop in first-half profits. Major contracts have been affected by the continuing high level of competition in the building industry, a reduced contribution from Bett Inns and disappointing results from Bett Trucks. Stated earnings per 20p share declined from 5.84p to 3.05p, but the dividend is maintained at 3.1p net with a final of 1.9p (same). Turnover was down from £21.47m to £16.05m. After tax of £291,000 (£311,000) and extraordinary year £78,000 (£128,000) the net balance came out lower at £458,000, against £878,000. Last week, Scottish Heritable Trust announced that it had sold its entire 11.7 per cent stake in Bett, following the earlier breakdown of takeover talks. MID-SUSSEX WATER Co: Applications totalling £4.47m were received in respect of the tender of £4m 84 per cent redeemable preference stock in Bett, following the earlier breakdown of takeover talks.

November 1985 This announcement appears as a matter of record only Lonrho Finance Public Limited Company LONRHO Facilities arranged by Lloyds Merchant Bank Limited GBP 50,000,000 Revolving Credit Facility Providers Banca Commerciale Italiana London Branch The Bank of Nova Scotia Crédit Lyonnais London Branch Kredietbank N.V. London Branch The Mitsubishi Bank, Limited Standard Chartered Bank GBP 100,000,000 Sterling Options Facility Tender Panel Members Banca Commerciale Italiana London Branch Banco di Roma London Branch CIC-Union Européenne, International et Cie London Branch Crédit Agricole London Branch Credit Suisse Nordic Bank PLC Standard Chartered Bank The Tokai Bank, Limited Lloyds Merchant Bank Agent for both Facilities

December 1985 This announcement appears as a matter of record only National & Provincial Building Society £90,000,000 Transferable Debt Placement Facility Arranged by Lloyds Merchant Bank Limited Lead Managers Banque Paribas (London) The Chuo Trust and Banking Company, Limited Deutsche Bank Aktiengesellschaft London Branch The Fuji Bank, Limited The Industrial Bank of Japan, Limited Lloyds Merchant Bank Limited Managers Banca Commerciale Italiana London Branch Istituto Bancario San Paolo di Torino Rabobank Nederland Yorkshire Bank PLC Providers Banca Commerciale Italiana London Branch Banque Belge Limited Banque Internationale A Luxembourg SA London Branch Banque Paribas (London) Baring Brothers & Co., Limited The Chuo Trust and Banking Company, Limited Deutsche Bank Aktiengesellschaft London Branch The Fuji Bank, Limited The Industrial Bank of Japan, Limited Istituto Bancario San Paolo di Torino London Branch Lloyds Merchant Bank Limited Malaysian Banking Berhad Rabobank Nederland The Saitama Bank, Ltd. Yorkshire Bank PLC Lloyds Merchant Bank Registrar



TECHNOLOGY

Vaccine raises hopes for fight against hepatitis B

TWO US pharmaceutical companies are racing to market a vaccine crucial to millions of newborn children. The first, Merck Sharp and Dohme, is in the final stages of clinical testing...

Stephanie Yanchinski, in Singapore, on the race to market a genetically engineered vaccine

pared from the infected blood of US donors. It met limited success. Dr Stephen Hadler of the American Centre for Disease Control in Atlanta, Georgia, claims there has been no significant decrease in the incidence of acute hepatitis B, although more than 1m people have been vaccinated.

In Merck's commercial process, the doctored yeast is grown in large fermenters for several days, the cells ruptured, and the surface antigen harvested and laboriously purified. An essential part of the process is a proprietary chemical step which assembles the antigenic protein into a circular particle more closely resembling the natural molecule.

Licence granted in Basle

CIBA-GEIGY of Basle, Switzerland, yesterday announced that it had granted the Swiss-American genetic engineering company, Biogen, a licence for a yeast-promoter system for use in the production of hepatitis B vaccine.



Professor Arie Zuckerman, of the London School of Hygiene and Tropical Medicine.

ceived at least one dose of the vaccine. Results show it to be safe and at least as effective as the plasma vaccine at raising body defences against infection. Most impressive, however, were the preliminary results of a study in 74 Asian-American infants, born to carrier mothers, who were vaccinated with Merck's vaccine a few days after birth. A check on 15 of the babies six months later showed the hepatitis virus had not been passed on.

hand, Merck expects the American Food and Drug Administration to approve its vaccine in June, while Smith Kline-RIT is counting on a European product registration in September.

The Singapore hepatitis B vaccine project, designated by ASEAN ministers, involves building a \$20m (£8.5m) production centre. Each country has agreed in principle to a 1 per cent equity investment in a company, Singapore Biotechnology, but this depends on successful negotiations with Merck.

Telephone message that failed to get across to the UK

VOICE MESSAGING is rare in the UK in spite of its attractions, with under 20 systems installed, according to a report from Eosys, technology consultants.

Voice messaging systems (VMS) are computers with disk stores integrated with, or forming part of, a company's telephone exchange (PABX).

When a caller tries to ring an extension that is engaged or is not answered, he is connected to the VMS. He can then leave a message in the "voice mailbox" of the called party, who can, on his return, interrogate his box for messages.

That such systems would be worthwhile is borne out by some "foldover" statistics quoted by Eosys. For example only one in four telephone calls reaches its intended recipient first time, while over half the calls made in most organisations carry only one-way information. Only 25 per cent of the calls require immediate attention. Above all, it is said that 90 per cent of calls are less important than the work they interrupt.

In 1979, for example, International Resource Development, a market research company, expected the market to reach \$180m in 1982. The actual figure was \$8m.

But the 1983 and 1984 figures were \$40m and \$100m respectively, with Rolm and VMX Inc each taking about 25 per cent in 1984. More than \$200m may have been reached last year but some observers believe the market has peaked.

In both countries the focus is expected to be on systems with up to 16 lines, whereas early emphasis in the US had been on 32 and 64 lines.

Eosys makes no guesses about the future size of the UK market but says the first levels of integration of VMS into the PABX are already evident. Given an appropriate handset, "message waiting" instructions can be delivered, which removes the need to keep calling the VMS to see if there are any messages. The PABX tells the VMS the extension the caller was trying to reach and then gives direct access to the appropriate mailbox. Mitel offers such a facility.

The main contenders in the UK are a number of US computing and office automation companies including DEC, IBM, Sperry and Wang. The principal UK manufacturing companies are Ferranti and Information Technology. The Ferranti Voice Manager is distributed by six other UK companies.

Voice Messaging System, 150pp; £100; Eosys, Farnham Common, Slough, Bucks (02514 5123).

GEORGE CHARLISH

Reach 4,000,000 people for only £4

Talk to us about our services via Telex or Electronic Mail. DIESM

Five-year deal on circuits

THE SEMICONDUCTOR subsidiaries of GEC in the UK and Thomson in France have agreed on a five-year cooperative programme aimed at making it quicker and easier for engineers to develop application-specific integrated circuits (ASICs).

The ASIC is expected to become increasingly important in the communications and computing areas of electronics where engineers strive to design chips for particular applications with features and advantages not possessed by the competition. The two companies will seek to reduce both design and prototyping time.

The technology to be used is HCMOS (high-speed complementary metal oxide semiconductor) with 1.5 microns (millionths of a metre) spacings of the parts on the chips. Electron beam fabrication will be used.

After two years' work the companies expect to have developed a complete set of libraries - computer-aided design tools and prototyping facilities.

In the last year of the project the aim is to demonstrate that a fully tested prototype can be produced on one chip in less than a month.

Wire alarm device

ORGANISATIONS concerned about theft may be interested in the Electro Thread, lengths of wire, easily attached to small items, which trigger alarms when taken past electromagnetic sensors.

The wires, in 4 ins strands costing about 3p, are produced by Knogo, a US company with UK headquarters in Marlow, Buckinghamshire. They follow the same principles as electronic tag security systems, also sold by Knogo, which are used by retailers.

BORIS SEDACCA

THE University Grants Committee, responsible for dividing up Government finance to UK universities, has broken with tradition by buying software licences from a number of computer-aided design system suppliers for distribution to universities.

arguing that confirmatory letters still had to be sent. However, the number of licences to include Radca, Silva-Lisco, Genrad and Silicon Microsystems. The licences cover mechanical engineering computer-aided design (Cad), architecture and microelectronics.

Dr Peter Jones, of Manchester University, chairman of the committee's working party on microelectronics fabrication and computer-aided design, said: "The major need is for electronics Cad, for which I am responsible."

The software is believed to include Radca's Isis, capable of handling integrated circuit designs of up to 250,000 components, which was evolved from an in-house Cad system devised by the UK semiconductor company, Intas, for cracking the high level of complexity required by its Transputer microprocessor.

Silicon Microsystems provides standard cell libraries, which are "Lego blocks" of electronic functions allowing customers to design chip layouts quickly and with a better silicon utilisation than gate-array technology, without requiring an in-depth knowledge of silicon devices physics.

Dr Bill Morris, managing director of Silicon Microsystems, said: "Certainly from our own business point of view, it is much easier to get a deal with one authority organising universities."

Engineering Research Council to increase the number of post-graduates. This has been done by creating masters degree courses in integrated circuit design at about six universities. He said the council had been involved for several years in supporting integrated circuit fabrication at Southampton, Edinburgh and Sheffield.

BORIS SEDACCA

University grants body buys software licences

UK NEWS-POLITICS

Hugh Carnegie assesses the campaign in Crossmaglen Split among the nationalists threatens election chances

CROSSMAGLEN, near the border between South Armagh and the Irish Republic, is a distinctly uninviting scene for an election campaign on a cold January morning. Last Monday, the wind whipped a rain of mud and market square army helicopters clattered overhead and British soldiers on foot patrol swept through the town, battering on a few doors in search of IRA suspects.



Mr Jim McAllister, Sinn Fein candidate for the Newry and Armagh constituency in Northern Ireland's January 23 by-elections, decided not to go canvassing until the weather improved.

concession in Mr Mallon's campaign that he does not expect to steal too many votes from Sinn Fein. He is campaigning clearly on the message that he is the only candidate who can defeat Mr Nicholson. The Anglo-Irish agreement is mentioned in SDLP leaflets but rarely on the doorstep. When it does come up, canvassed and canvasser express mutual scepticism about its chances of success.

Unlike Mr Nicholson, whose canvass is a brusque affair of shaking hands with the faithful Mr Mallon spends time with each voter. He puts his changes as fair. "The wind is not in our face, it's slightly at our back. That's one thing we know," he says. The metaphor is apt because bad weather on the 23rd would hit the nationalist vote harder than the well organised Unionists.

Anglo-Irish accord has had little impact in Republican areas

holding its 40 per cent share of the nationalist vote in the four seats it and the moderate Nationalist Party, the Social Democratic and Labour Party, are contesting. "Keep up the pressure on the Brits" was the slogan. Whether he will be proved correct on January 23 is something both London and Dublin will be watching intently. Their accord giving Dublin a formal role in Northern affairs for the first time was designed to undercut support for the IRA and Sinn Fein, its political wing, by redressing Nationalist grievances.

Enoch Powell is seen as one of the most vulnerable Unionists

off the challenge of Mr Owen Carron, the Sinn Fein former MP who has been allowed half to fight the election. He faces charges of possessing a rifle and ammunition. After Newry and Armagh, the most vulnerable Unionist would appear to be Mr Enoch Powell, whose majority of 548 in theory ought to increase because of the absence of a candidate from the Rev Ian Paisley's Democratic Unionist Party. However, the SDLP have some hope that some hardline Unionist disaffection with Mr Powell combined with a fall in the Sinn Fein vote could let in Mr Eddie McGrady. In Mid-Ulster, the Rev William McCree of the DUP, in spite of having the smallest majority in the House of Commons of 78, should with the help of more than 7,000 DUP votes hold off the challenge of Mr Danny Morrison of Sinn Fein.

Company Notices

Table with columns for company names and financial data. Includes ROWNTREE MACKINTOSH INTERNATIONAL FINANCE B.V. and BANQUE INDOCHINE.

Whose Button Is Your Finger On



Business Telecom 86 The Telephone Systems Show

PLUS a series of short half-day User Seminars. An affordable £45 will bring you up to date with any one of these vital topics...

Barbican Centre London 4-6 March

Phone Pam Howard for seminar details and complimentary exhibition tickets.

FINANCIAL TIMES SURVEY SPAIN and the EEC

The Financial Times proposes to publish an in-depth survey on Spain and the EEC on Monday, 20 January 1988. The survey will cover all aspects of Spain's political and economic life as it stands on the threshold of the European Community, 10 years after the accession of King Juan Carlos and the end of the dictatorship.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER LONDON - FRANKFURT - NEW YORK



The written word may not be the last word

By A. H. HERMANN, Legal Correspondent

IN THE end, one discovers, English law rests on the same sound principles as the laws of other countries. Only it takes a long time to discover them because they are shrouded in mystery which English lawyers solve while imbibing at the Inns of Court dinners by which they qualify for advocacy.

therefore be grateful that the Commission has finally discovered that it can achieve law reform without Parliament by a simple restatement of the law—a device well known to American lawyers and used by them with great effect.

In the absence of a codification of the law of contract, attempted but given up by the Law Commission, we must be grateful for such little blessings as the Commission provides and of which their latest report is one.

Ten years ago, when the Law Commission published its working paper number 70 on the Parol Evidence Rule, it still assumed that such a rule of law existed, though it suspected that the exceptions to it were numerous and so extensive that the rule itself had been largely destroyed by them.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts and their performance metrics, including Abbey Unit Trusts, British Unit Trusts, and others.

F.T. CROSSWORD PUZZLE No. 5923

Crossword puzzle grid with numbers 1-28 indicating starting positions for clues.

ACROSS
1 Added: "Pop back with the chandelier" (9)
6 Likewise cover with solvent (5)
9 Put the party record in the front of the store (5)
10 The way I'm acting could be puzzling (9)
11 Cite, or put another way, "there's something painful about punishment" (10)
12 Show in, except for the Egyptian leader (4)
14 The spoli-sport, unusually jolly, is following "The King and I" (7)
15 Coffee is often in assorted tins, a sort of brown colour (7)
17 Local oil apt to be distributed round about (7)
19 School type has broken arm after midnight drive (7)
20 Was informed "there's no point being cruel" (4)
21 Reluctant to be ill (10)
23 Having little swellings, one adult confused the leading doctor (9)
24 Expel for writing about vice on the middle watch (5)
27 Where one sips, with the water I removed, to get the end taken off (5)
DOWN
1 For instance, detectives turning up with an echo sounder (5)
2 Stationery item from oddly-shaped parcel Philip is holding (5-6)

APPOINTMENTS

International division posts at NatWest

Mr Robin Batcher has been appointed senior international executive, with NATIONAL WESTMINSTER BANK'S world corporate group, international banking division based in London, having previously been chief manager of the Bank's Hong Kong branch.



AUTHORISED UNIT TRUSTS & INSURANCES

Main table containing financial data for various unit trusts and insurance companies, including columns for company names, fund names, and numerical values.

INSURANCES

Table listing insurance companies and their respective financial details, including company names, addresses, and contact information.



INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and overseas funds including Scottish Mutual Assurance Society, Swiss Life Unit Investment, and various international fund listings.

Main table of money funds including The English Trust Group, Zurich American Life, and numerous international and domestic fund listings.

Table of money market bank accounts and options, including Money Market Trust Funds, Money Market Bank Accounts, and a 3-month call rates section.



# COMMODITIES AND AGRICULTURE

## Court backs Tin Council immunity

By Stefan Wagstyl  
THE INTERNATIONAL Tin Council, which is holding its latest round of emergency meetings on the tin crisis this week, won a claim to diplomatic immunity from legal action in court yesterday.

Arab Banking Corporation, one of the ITC's 16 banking creditors which is suing the council for £16m, failed in an attempt to win a court order stopping the council from selling assets.

Mr Justice Steyn, in a private hearing in chambers, ruled that the ITC was immune from enforcement orders of this kind. He rejected Arab Banking's argument that the ITC had waived its immunity by classifying its assets as a security for the loan agreement with the bank which allowed for disputes to be submitted to a UK court. The judge ruled that this clause referred only to the court's role as an adjudicator and not as an enforcement agency.

It is understood that the judgment leaves the council free to continue legal action to try to recover the loan money.

It is unclear to what extent the ruling establishes a general precedent on the question of the ITC's immunity. Lawyers acting for the tin council and the creditors to whom it owes hundreds of millions of pounds will be closely studying the judgment, which Mr Justice Steyn made public.

Three London Metal Exchange brokers have started arbitration proceedings against the council under the rules of the LME. They believe that if they need to turn to the courts to enforce an arbitration ruling, they can because the headquarters agreement setting up the International Tin Council says that immunity is waived in the case of arbitration awards.

Meanwhile, attempts to secure a negotiated settlement of the crisis continued yesterday at the ITC, which adjourned its meeting until tomorrow. The council set up a small group to meet today with the authors of the latest rescue plan—Mr Peter Graham, senior deputy chairman of Standard Chartered Bank and Mr Ralph Kesteven, joint managing director of broker Gerald Metals.

The group will discuss objections to the plan which call for the creation of a company to take over the council's assets and liabilities. It would be funded with £200m of risk capital from member governments, £50m from brokers and £20m from banks.

## EEC warned on surpluses

BY IVO DAWNAY IN BRUSSELS

RUNAWAY SURPLUSES and inadequate controls threaten to make many sectors of the EEC's Common Agricultural Policy (CAP) both unmanageable and unfinanceable, according to an unusually stark annual report published yesterday by the European Commission.

Moreover, the accession of Spain and Portugal to the Community will add to the strains on the CAP, the 440-page Agricultural Situation in the Community (1985) warns.

This deeply gloomy conclusion comes in stark contrast to the more upbeat analysis presented last month in the summary of a six-month-long debate between the Commission's agricultural managers and the farming industry on the future of the CAP.

Reviewing the state of the markets for farm produce, it states: "With many Community markets saturated, and with poor prospects for increased solvent demand or reduced competing supply on world markets, it is clear that export promotion programmes are insufficient to bring about a healthier market balance or even prevent some surplus stocks becoming unmanageable and unfinanceable."

This applies even to sectors such as dairy and wine—where wide-ranging reforms have been pushed through. Furthermore, new measures will exacerbate the problem of tackling over-supply while attempting to maintain the level of farm incomes, it says.

The survey opens with an account of the likely effects of enlargement of the Community on the CAP. This points out that EEC farming—already relatively inefficient compared with the Community's other economic activities—will become more so with the arrival of Spain and Portugal.

In the Ten, agriculture accounts for roughly 8 per cent of employment but contributes only 4 per cent of national product. This 2 to 1 ratio, falls to 3 to 1 in Spain and 4 to 1 in Portugal.

Small inefficient farms—the root of the EEC's agricultural problems—abound in the Iberian peninsula. In Portugal, 87 per cent are holdings of less than 5 hectares, and 94 per cent less than 10 hectares; for Spain, the figures are 70 per cent and 80 per cent respectively.

In addition, the potential growth in output for Mediterranean produce, stimulated by higher EEC prices and grant aid, is likely to boost output of many products already in surplus.

The new member states will increase the number of holdings within the EEC from 6.8m to 9.8m while production will rise from a value of Ecu 150m yearly to Ecu 188m. However, the accession will also reduce the EEC's farm trade deficit from Ecu 23.6m to Ecu 16.6m.

Conversely, many claims, the report argues that farm incomes have risen marginally in real terms by an average of 0.3 per cent per annum between 1975 and 1984. The 1985 value of production rose by 2.3 per cent yearly. Poor harvests last year, hit earnings, however.

red winter wheat at considerably reduced prices. Last week's cost at \$11.50 per tonne (product at a \$19.17 per tonne bonus) contrasts with a recent commercial sale of the same type of wheat to South Korea at around \$138 per tonne.

Thus far, the department has given bonuses totalling \$152.3m in wheat, flour, maize and sorghum. This is far short of the \$27m three-year programme originally announced by Mr John Block, the Agriculture Secretary, in a bid to win back markets lost to competitors such as the EEC—but it is inconsequential in today's market.

Meanwhile, Mr Block this week announced a dramatic lowering of loan rates for farm products in a bid to make farm exports more competitive. This was expected under the new Farm Act, which President Ronald Reagan signed into law last month.

	1980	1981	1982	1983	1984	1985
Milk	115	116	121	121	115	115
Beef and veal	105	104	102	106	115	117
Pigmeat	120	121	122	124	125	128
Cereals	134	130	144	132	141	151
Fruit and veg.	104	104	112	110	104	104
All products	113	113	119	118	121	119

Forecast: ↑ Provisional.

pushed through. Furthermore, new measures will exacerbate the problem of tackling over-supply while attempting to maintain the level of farm incomes, it says.

The survey opens with an account of the likely effects of enlargement of the Community on the CAP. This points out that EEC farming—already relatively inefficient compared with the Community's other economic activities—will become more so with the arrival of Spain and Portugal.

In the Ten, agriculture accounts for roughly 8 per cent of employment but contributes only 4 per cent of national product. This 2 to 1 ratio, falls to 3 to 1 in Spain and 4 to 1 in Portugal.

Small inefficient farms—the root of the EEC's agricultural problems—abound in the Iberian peninsula. In Portugal, 87 per cent are holdings of less than 5 hectares, and 94 per cent less than 10 hectares; for Spain, the figures are 70 per cent and 80 per cent respectively.

In addition, the potential growth in output for Mediterranean produce, stimulated by higher EEC prices and grant aid, is likely to boost output of many products already in surplus.

The new member states will increase the number of holdings within the EEC from 6.8m to 9.8m while production will rise from a value of Ecu 150m yearly to Ecu 188m. However, the accession will also reduce the EEC's farm trade deficit from Ecu 23.6m to Ecu 16.6m.

Conversely, many claims, the report argues that farm incomes have risen marginally in real terms by an average of 0.3 per cent per annum between 1975 and 1984. The 1985 value of production rose by 2.3 per cent yearly. Poor harvests last year, hit earnings, however.

red winter wheat at considerably reduced prices. Last week's cost at \$11.50 per tonne (product at a \$19.17 per tonne bonus) contrasts with a recent commercial sale of the same type of wheat to South Korea at around \$138 per tonne.

Thus far, the department has given bonuses totalling \$152.3m in wheat, flour, maize and sorghum. This is far short of the \$27m three-year programme originally announced by Mr John Block, the Agriculture Secretary, in a bid to win back markets lost to competitors such as the EEC—but it is inconsequential in today's market.

Meanwhile, Mr Block this week announced a dramatic lowering of loan rates for farm products in a bid to make farm exports more competitive. This was expected under the new Farm Act, which President Ronald Reagan signed into law last month.

gradual fall in oil prices could be accepted with equanimity, since the loss in government revenues would broadly be balanced by the gain in lower costs and some stimulus to growth.

However, any sharp fall in oil prices below, say, \$15 per barrel could create major problems, particularly if it led to a run on sterling, and general international uncertainty about world debts.

Cambridge Energy Research Associates (Cera), the US consultant, points out in its latest World Oil Watch that the scope for reduced production is outside Opec very limited. In

## LONDON MARKETS

### COFFEE FUTURES

CONTAINED their recent wide fluctuations yesterday with values on the London market ending the day near the bottom of a \$200 trading range. The March position closed at \$2,525.50 a tonne, down \$36.50 on the day and nearly \$600 below the \$1-year peak reached early last week. Dealers said nervous profit-taking wiped out early gains after the New York opened sharply below overall levels. Though fundamentals remain strong, operators are opting for caution in view of the possibility of an early suspension of International Coffee Organisation export quotas—expected in any case by the middle of next month—and a downturn in coffee prices on Brazil's Sao Paulo exchange. Early losses on the cocoa futures market were partly recovered during the day but the May position ended at \$1,150 down on balance at \$1,713 a tonne. Talk of Pakistani and Indian buying interest helped to lift sugar values a dollar or two following the recent decline.

Contrary to many claims, the report argues that farm incomes have risen marginally in real terms by an average of 0.3 per cent per annum between 1975 and 1984. The 1985 value of production rose by 2.3 per cent yearly. Poor harvests last year, hit earnings, however.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

## INDICES

### FINANCIAL TIMES

Jan. 15 Jan. 14 (14th Mo) Year ago  
1985.4 (1984.7) 1975.7 (1981.1)  
(Base: July 1 1982=100)

Jan. 15 Jan. 14 (14th Mo) Year ago  
1985.4 (1984.7) 1975.7 (1981.1)  
(Base: September 1 1981=100)

Jan. 15 Jan. 14 (14th Mo) Year ago  
1985.4 (1984.7) 1975.7 (1981.1)  
(Base: December 31 1981=100)

Jan. 15 Jan. 14 (14th Mo) Year ago  
1985.4 (1984.7) 1975.7 (1981.1)  
(Base: December 31 1981=100)

Jan. 15 Jan. 14 (14th Mo) Year ago  
1985.4 (1984.7) 1975.7 (1981.1)  
(Base: December 31 1981=100)

Jan. 15 Jan. 14 (14th Mo) Year ago  
1985.4 (1984.7) 1975.7 (1981.1)  
(Base: December 31 1981=100)

Jan. 15 Jan. 14 (14th Mo) Year ago  
1985.4 (1984.7) 1975.7 (1981.1)  
(Base: December 31 1981=100)

Jan. 15 Jan. 14 (14th Mo) Year ago  
1985.4 (1984.7) 1975.7 (1981.1)  
(Base: December 31 1981=100)

Jan. 15 Jan. 14 (14th Mo) Year ago  
1985.4 (1984.7) 1975.7 (1981.1)  
(Base: December 31 1981=100)

Jan. 15 Jan. 14 (14th Mo) Year ago  
1985.4 (1984.7) 1975.7 (1981.1)  
(Base: December 31 1981=100)

Jan. 15 Jan. 14 (14th Mo) Year ago  
1985.4 (1984.7) 1975.7 (1981.1)  
(Base: December 31 1981=100)

Jan. 15 Jan. 14 (14th Mo) Year ago  
1985.4 (1984.7) 1975.7 (1981.1)  
(Base: December 31 1981=100)

Jan. 15 Jan. 14 (14th Mo) Year ago  
1985.4 (1984.7) 1975.7 (1981.1)  
(Base: December 31 1981=100)

Jan. 15 Jan. 14 (14th Mo) Year ago  
1985.4 (1984.7) 1975.7 (1981.1)  
(Base: December 31 1981=100)

Jan. 15 Jan. 14 (14th Mo) Year ago  
1985.4 (1984.7) 1975.7 (1981.1)  
(Base: December 31 1981=100)

## US MARKETS

### PRECIOUS METALS

MOVED sharply higher on good speculative buying linked to favourable technical indications along with heightened tension between the US and Libya, reports Heinold Commodities Corp.

aluminium cars; under scattered selling pressure on an overbought condition. Sugar registered modest gains on short-covering as commercial buying emerged. Cocoa traded in a tight range reflecting the lack of fresh news. Fears that quotas will be suspended next week led to sharp losses in coffee. Cotton traded mixed with light country movement leading support to old crop.

A large drawdown in crude stocks led to a sharp rise in energy values. The grain complex remained steady to firm with maize gaining on rumours of Russian interest. The soybean complex also attracted good buying in meal and beans on reports of Russian interest.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

After a quiet morning, prices rose in the afternoon due to fresh trade and short-covering in good volume. The market appeared well supported despite continuing weakness in the oil market, reports Business Capital-CCST.

## CHANGES

### 15,000 lbs. cents/lb

	Close	High	Low	Prev
Jan	98.10	98.00	97.00	97.30
Feb	98.10	98.00	97.00	97.30
Mar	100.00	101.00	99.75	99.50
Apr	102.20	102.20	101.00	101.30
May	102.20	102.20	101.00	101.30
Jun	103.00	103.00	102.00	102.25
Jul	104.00	104.00	103.00	103.25
Aug	104.00	104.00	103.00	103.25
Sep	104.00	104.00	103.00	103.25
Oct	104.00	104.00	103.00	103.25
Nov	104.00	104.00	103.00	103.25
Dec	104.00	104.00	103.00	103.25

	Close	High	Low	Prev
Jan	98.10	98.00	97.00	97.30
Feb	98.10	98.00	97.00	97.30
Mar	100.00	101.00	99.75	99.50
Apr	102.20	102.20	101.00	101.30
May	102.20	102.20	101.00	101.30
Jun	103.00	103.00	102.00	102.25
Jul	104.00	104.00	103.00	103.25
Aug	104.00	104.00	103.00	103.25
Sep	104.00	104.00	103.00	103.25
Oct	104.00	104.00	103.00	103.25
Nov	104.00	104.00	103.00	103.25
Dec	104.00	104.00	103.00	103.25

	Close	High	Low	Prev
Jan	98.10	98.00	97.00	97.30
Feb	98.10	98.00	97.00	97.30
Mar	100.00	101.00	99.75	99.50
Apr	102.20	102.20	101.00	101.30
May	102.20	102.20	101.00	101.30
Jun	103.00	103.00	102.00	102.25
Jul	104.00	104.00	103.00	103.25
Aug	104.00	104.00	103.00	103.25
Sep	104.00	104.00	103.00	103.25
Oct	104.00	104.00	103.00	103.25
Nov	104.00	104.00	103.00	103.25
Dec	104.00	104.00	103.00	103.25

	Close	High	Low	Prev
Jan	98.10	98.00	97.00	97.30
Feb	98.10	98.00	97.00	97.30
Mar	100.00	101.00	99.75	99.50
Apr	102.20	102.20	101.00	101.30
May	102.20	102.20	101.00	101.30
Jun	103.00	103.00	102.00	102.25
Jul	104.00	104.00	103.00	103.25
Aug	104.00	104.00	103.00	103.25
Sep	104.00	104.00	103.00	103.25
Oct	104.00	104.00	103.00	103.25
Nov	104.00	104.00	103.00	103.25
Dec	104.00	104.00	103.00	103.25

	Close	High	Low	Prev
Jan	98.10	98.00	97.00	97.30
Feb	98.10	98.00	97.00	97.30
Mar	100.00	101.00	99.75	99.50
Apr	102.20	102.20	101.00	101.30
May	102.20	102.20	101.00	101.30
Jun	103.00	103.00	102.00	102.25
Jul	104.00	104.00	103.00	103.25
Aug	104.00	104.00	103.00	103.25
Sep	104.00	104.00	103.00	103.25
Oct	104.00	104.00	103.00	103.25
Nov	104.00	104.00	103.00	103.25
Dec	104.00	104.00	103.00	103.25



CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Talk of rate cuts hits dollar

Speculation about lower interest rates pushed the dollar down on the foreign exchange yesterday. The US currency retreated from a peak of DM 2.4750 to close at DM 2.4625 in London...

£ IN NEW YORK

Table showing exchange rates for £ in New York, including columns for Jan 15, Prev. close, and % change.

FINANCIAL FUTURES

Late recovery

Prices recovered from the day's lows in the London International Financial Futures Exchange yesterday on suggestions that interest rates would fall...

US TREASURY BONDS

Table showing US Treasury Bonds data, including columns for Close, High, Low, and Prev.

CHICAGO

Table showing Chicago market data, including columns for Close, High, Low, and Prev.

THREEMONTH STERLING

Table showing three-month sterling data, including columns for Close, High, Low, and Prev.

THREEMONTH EURO-DOLLAR

Table showing three-month euro-dollar data, including columns for Close, High, Low, and Prev.

LIFFE-STERLING

Table showing Liffe-sterling data, including columns for Close, High, Low, and Prev.

LIFFE-DEUTSCHE MARKEN

Table showing Liffe-deutsche marken data, including columns for Close, High, Low, and Prev.

EURO-DOLLARS

Table showing Euro-dollars data, including columns for Close, High, Low, and Prev.

LIFFE-EURO-DOLLAR

Table showing Liffe-euro-dollar data, including columns for Close, High, Low, and Prev.

LIFFE-EURO-DOLLAR

Table showing Liffe-euro-dollar data, including columns for Close, High, Low, and Prev.

LIFFE-EURO-DOLLAR

Table showing Liffe-euro-dollar data, including columns for Close, High, Low, and Prev.

LIFFE-EURO-DOLLAR

Table showing Liffe-euro-dollar data, including columns for Close, High, Low, and Prev.

LIFFE-EURO-DOLLAR

Table showing Liffe-euro-dollar data, including columns for Close, High, Low, and Prev.

POUND SPOT-FORWARD AGAINST POUND

Table showing pound spot-forward against pound data, including columns for Day's spread, Close, One month, % Three months, and %.

DOLLAR SPOT-FORWARD AGAINST DOLLAR

Table showing dollar spot-forward against dollar data, including columns for Day's spread, Close, One month, % Three months, and %.

CURRENCY MOVEMENTS

Table showing currency movements, including columns for Jan 15, Bank of England, Morgan Guaranty, and %.

CURRENCY RATES

Table showing currency rates, including columns for Jan 15, Bank of England, Morgan Guaranty, and %.

CURRENCY FUTURES

Table showing currency futures, including columns for Jan 15, Bank of England, Morgan Guaranty, and %.

OTHER CURRENCIES

Table showing other currencies, including columns for Jan 15, Bank of England, Morgan Guaranty, and %.

EXCHANGE CROSS RATES

Table showing exchange cross rates, including columns for Jan 15, Bank of England, Morgan Guaranty, and %.

EURO-CURRENCY INTEREST RATES

Table showing euro-currency interest rates, including columns for Jan 15, Bank of England, Morgan Guaranty, and %.

MONEY MARKETS

UK rates easier but still very nervous

Interest rates were a little easier yesterday but the market remained unconvincing of the authorities' ability to avert further upward pressure. Period rates from one month out to one year were virtually flat...

STERLING INDEX

Table showing sterling index data, including columns for Jan 14 Previous, Close, High, Low, and Prev.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European currency unit rates, including columns for Currency, % change, and % change adjusted for divergence.

FT LONDON INTERBANK FIXING

Table showing FT London interbank fixing data, including columns for Three months U.S. dollars, Six months U.S. dollars, and Bid/offer rates.

LONDON MONEY RATES

Table showing London money rates, including columns for Jan 15, Over night, 7 days notice, Month, Three Months, Six Months, and One Year.

Currency Swings: Cutting Your Risks

If you make payment in a currency other than your own, you face the potential risk in its cost between now and payment time. If you receive payment in such currency, you face a fall in its value between now and receipt time.

Contracts and Tenders

GOVERNMENT OF INDIA AIR HEADQUARTERS, INDIAN AIR FORCE TENDER NOTICE

On behalf of the President of India, Director of Purchase, Air Headquarters, IAF invites sealed tenders on our prescribed forms from original manufacturers/authorised stockists/suppliers with record of previous supplies to Government Departments for supply of following stores on FOB basis:

Legal Notices

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice, Chancery Division, in the Matter of the Companies Act 1985...

CLASSIFIED ADVERTISEMENT RATES

Table showing classified advertisement rates, including columns for Single column, Per column, and Per line.

Large advertisement for DnC Den norske Creditbank PLC, featuring the bank's logo and contact information: 20 St Dunstan's Hill, London EC3R 8HY. Telephone: 01-621 1111. Telex: 887654. Telex: 621-621 7400 Gp3. Cables: Denfors London.







INDUSTRIALS - Continued

Table of industrial stocks including companies like Shell, BP, and various engineering firms. Columns include stock name, price, and change.

LEISURE - Continued

Table of leisure and entertainment stocks including companies like British Airways, British Telecom, and various media companies.

PROPERTY - Continued

Table of property and real estate related stocks including companies like British Land, Granada, and various construction firms.

INVESTMENT TRUSTS - Cont.

Table of investment trusts including various funds like British American, British Overseas, and others.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft related stocks including companies like British Airways, British Telecom, and various engineering firms.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks including companies like News International, Newsprint, and others.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including companies like Newsprint, Newsprint, and others.

PROPERTY

Table of property and real estate related stocks including companies like British Land, Granada, and various construction firms.

LEISURE

Table of leisure and entertainment stocks including companies like British Airways, British Telecom, and various media companies.

COMMERCIAL VEHICLES

Table of commercial vehicle stocks including companies like British Airways, British Telecom, and various engineering firms.

COMPONENTS

Table of component stocks including companies like British Airways, British Telecom, and various engineering firms.

GARAGES AND DISTRIBUTORS

Table of garage and distributor stocks including companies like British Airways, British Telecom, and various engineering firms.

SHIPPING

Table of shipping stocks including companies like British Airways, British Telecom, and various engineering firms.

SOUTH AFRICAN

Table of South African stocks including companies like British Airways, British Telecom, and various engineering firms.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British Airways, British Telecom, and various engineering firms.

TEXTILES

Table of textile stocks including companies like British Airways, British Telecom, and various engineering firms.

TOBACCO

Table of tobacco stocks including companies like British Airways, British Telecom, and various engineering firms.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land related stocks including companies like British Airways, British Telecom, and various engineering firms.

FINANCE, LAND, etc

Table of finance, land, and other stocks including companies like British Airways, British Telecom, and various engineering firms.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like British Airways, British Telecom, and various engineering firms.

PLANTATIONS

Table of plantation stocks including companies like British Airways, British Telecom, and various engineering firms.

RUBBERS, PAINTS

Table of rubber and paint stocks including companies like British Airways, British Telecom, and various engineering firms.

MINES

Table of mine stocks including companies like British Airways, British Telecom, and various engineering firms.

CENTRAL AFRICAN

Table of Central African stocks including companies like British Airways, British Telecom, and various engineering firms.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks including companies like British Airways, British Telecom, and various engineering firms.

Far West Rand

Table of Far West Rand stocks including companies like British Airways, British Telecom, and various engineering firms.

Recent issues and Rights Page 42 (International Edition Page 36)



LONDON STOCK EXCHANGE

MARKET REPORT

Account Dealing Dates

First Declared Last Account Dealings 1985 Dealings Day Dec 22 Jan 9 Jan 19 Jan 29 Jan 13 Jan 23 Jan 24 Feb 3 Jan 27 Feb 6 Feb 7 Feb 17

Burst of interest rate optimism brings strong close

A report that the German Economic Minister had said that the US Treasury Secretary wants to agree a co-ordinated interest rate cut sent a burst of optimism through London markets shortly after the official 3.30 pm close yesterday. Share and bond prices surged higher and the FT Ordinary share index sharply extended a 3 pm gain of around 6 points to close a net 15.3 up at 1108.5. The FT-SE 100 share index rose 20.4 to 330.5.

Interest rates had earlier continued to dictate the trend as domestic financial markets reacted to see whether the Bank of England's bold initiative on Tuesday would be successful. First indications were that a lighter rise in bank base rates from the present 12 1/2 per cent level would be prevented. Money markets were much calmer and rates eased back with the key three-month interbank trading around 13 per cent for much of the day.

Measure of composite naturally returned to stock markets. Equity turnover remained rather moderate, affected by the continued absence of worthwhile institutional inquiries, but leading shares still made progress on light demand from private investors. Political considerations associated with the escalating Westland affair also tended to put a damper on investment incentive.

The late upsurge was led by Store issues and gains in the sector finally ranged well into double-figure amounts. Few blue chip stocks settled lower but Plessey was the exception; fears that the GEC bid could meet with a refusal to transfer the Commission brought Plessey down 4 to 164p, after 160p.

Government bonds also responded sharply in the afternoon's dealings and selected high-coupon longs closed with rises extending to nearly a point. Business earnings had been a pale shadow of Tuesday's heavy volume with prices easier at the opening before firming as fears of higher interest rates receded. Switching operations were the chief feature of the previous session's trade tended to fade. Index-linked stocks went higher with conventional Gilt and ended 1/2 up in places.

Insurance rally

Insurances returned to favour. Howard featured with a rise of 18 at 250p after comment on the results of the 1985 year. The firm had a 7.8p rise in response to the new business figures for 1985. Pearl rallied 1/2 at 12 1/2. Among Composites, the Alliance retrieved 1/2 at 55p and General Accident closed 18 dearer at 72 1/2. Commercial Union added 1/2 at 23 1/2 and GRE put on 12 at 76 1/2. Elsewhere, West Germany's largest general non-life group

FINANCIAL TIMES STOCK INDICES

Table with columns for indices: Government Secs, Food Interest, Ordinary, Gold Mines, Ord. Div. Yield, Earnings, P/E Ratio, Total Bargains, Equity turnover, Shares traded. Includes Jan 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 1985, 1984, 1983, 1982, 1981, 1980, 1979, 1978, 1977, 1976, 1975, 1974, 1973, 1972, 1971, 1970, 1969, 1968, 1967, 1966, 1965, 1964, 1963, 1962, 1961, 1960, 1959, 1958, 1957, 1956, 1955, 1954, 1953, 1952, 1951, 1950, 1949, 1948, 1947, 1946, 1945, 1944, 1943, 1942, 1941, 1940, 1939, 1938, 1937, 1936, 1935, 1934, 1933, 1932, 1931, 1930, 1929, 1928, 1927, 1926, 1925, 1924, 1923, 1922, 1921, 1920, 1919, 1918, 1917, 1916, 1915, 1914, 1913, 1912, 1911, 1910, 1909, 1908, 1907, 1906, 1905, 1904, 1903, 1902, 1901, 1900, 1899, 1898, 1897, 1896, 1895, 1894, 1893, 1892, 1891, 1890, 1889, 1888, 1887, 1886, 1885, 1884, 1883, 1882, 1881, 1880, 1879, 1878, 1877, 1876, 1875, 1874, 1873, 1872, 1871, 1870, 1869, 1868, 1867, 1866, 1865, 1864, 1863, 1862, 1861, 1860, 1859, 1858, 1857, 1856, 1855, 1854, 1853, 1852, 1851, 1850, 1849, 1848, 1847, 1846, 1845, 1844, 1843, 1842, 1841, 1840, 1839, 1838, 1837, 1836, 1835, 1834, 1833, 1832, 1831, 1830, 1829, 1828, 1827, 1826, 1825, 1824, 1823, 1822, 1821, 1820, 1819, 1818, 1817, 1816, 1815, 1814, 1813, 1812, 1811, 1810, 1809, 1808, 1807, 1806, 1805, 1804, 1803, 1802, 1801, 1800, 1799, 1798, 1797, 1796, 1795, 1794, 1793, 1792, 1791, 1790, 1789, 1788, 1787, 1786, 1785, 1784, 1783, 1782, 1781, 1780, 1779, 1778, 1777, 1776, 1775, 1774, 1773, 1772, 1771, 1770, 1769, 1768, 1767, 1766, 1765, 1764, 1763, 1762, 1761, 1760, 1759, 1758, 1757, 1756, 1755, 1754, 1753, 1752, 1751, 1750, 1749, 1748, 1747, 1746, 1745, 1744, 1743, 1742, 1741, 1740, 1739, 1738, 1737, 1736, 1735, 1734, 1733, 1732, 1731, 1730, 1729, 1728, 1727, 1726, 1725, 1724, 1723, 1722, 1721, 1720, 1719, 1718, 1717, 1716, 1715, 1714, 1713, 1712, 1711, 1710, 1709, 1708, 1707, 1706, 1705, 1704, 1703, 1702, 1701, 1700, 1699, 1698, 1697, 1696, 1695, 1694, 1693, 1692, 1691, 1690, 1689, 1688, 1687, 1686, 1685, 1684, 1683, 1682, 1681, 1680, 1679, 1678, 1677, 1676, 1675, 1674, 1673, 1672, 1671, 1670, 1669, 1668, 1667, 1666, 1665, 1664, 1663, 1662, 1661, 1660, 1659, 1658, 1657, 1656, 1655, 1654, 1653, 1652, 1651, 1650, 1649, 1648, 1647, 1646, 1645, 1644, 1643, 1642, 1641, 1640, 1639, 1638, 1637, 1636, 1635, 1634, 1633, 1632, 1631, 1630, 1629, 1628, 1627, 1626, 1625, 1624, 1623, 1622, 1621, 1620, 1619, 1618, 1617, 1616, 1615, 1614, 1613, 1612, 1611, 1610, 1609, 1608, 1607, 1606, 1605, 1604, 1603, 1602, 1601, 1600, 1599, 1598, 1597, 1596, 1595, 1594, 1593, 1592, 1591, 1590, 1589, 1588, 1587, 1586, 1585, 1584, 1583, 1582, 1581, 1580, 1579, 1578, 1577, 1576, 1575, 1574, 1573, 1572, 1571, 1570, 1569, 1568, 1567, 1566, 1565, 1564, 1563, 1562, 1561, 1560, 1559, 1558, 1557, 1556, 1555, 1554, 1553, 1552, 1551, 1550, 1549, 1548, 1547, 1546, 1545, 1544, 1543, 1542, 1541, 1540, 1539, 1538, 1537, 1536, 1535, 1534, 1533, 1532, 1531, 1530, 1529, 1528, 1527, 1526, 1525, 1524, 1523, 1522, 1521, 1520, 1519, 1518, 1517, 1516, 1515, 1514, 1513, 1512, 1511, 1510, 1509, 1508, 1507, 1506, 1505, 1504, 1503, 1502, 1501, 1500, 1499, 1498, 1497, 1496, 1495, 1494, 1493, 1492, 1491, 1490, 1489, 1488, 1487, 1486, 1485, 1484, 1483, 1482, 1481, 1480, 1479, 1478, 1477, 1476, 1475, 1474, 1473, 1472, 1471, 1470, 1469, 1468, 1467, 1466, 1465, 1464, 1463, 1462, 1461, 1460, 1459, 1458, 1457, 1456, 1455, 1454, 1453, 1452, 1451, 1450, 1449, 1448, 1447, 1446, 1445, 1444, 1443, 1442, 1441, 1440, 1439, 1438, 1437, 1436, 1435, 1434, 1433, 1432, 1431, 1430, 1429, 1428, 1427, 1426, 1425, 1424, 1423, 1422, 1421, 1420, 1419, 1418, 1417, 1416, 1415, 1414, 1413, 1412, 1411, 1410, 1409, 1408, 1407, 1406, 1405, 1404, 1403, 1402, 1401, 1400, 1399, 1398, 1397, 1396, 1395, 1394, 1393, 1392, 1391, 1390, 1389, 1388, 1387, 1386, 1385, 1384, 1383, 1382, 1381, 1380, 1379, 1378, 1377, 1376, 1375, 1374, 1373, 1372, 1371, 1370, 1369, 1368, 1367, 1366, 1365, 1364, 1363, 1362, 1361, 1360, 1359, 1358, 1357, 1356, 1355, 1354, 1353, 1352, 1351, 1350, 1349, 1348, 1347, 1346, 1345, 1344, 1343, 1342, 1341, 1340, 1339, 1338, 1337, 1336, 1335, 1334, 1333, 1332, 1331, 1330, 1329, 1328, 1327, 1326, 1325, 1324, 1323, 1322, 1321, 1320, 1319, 1318, 1317, 1316, 1315, 1314, 1313, 1312, 1311, 1310, 1309, 1308, 1307, 1306, 1305, 1304, 1303, 1302, 1301, 1300, 1299, 1298, 1297, 1296, 1295, 1294, 1293, 1292, 1291, 1290, 1289, 1288, 1287, 1286, 1285, 1284, 1283, 1282, 1281, 1280, 1279, 1278, 1277, 1276, 1275, 1274, 1273, 1272, 1271, 1270, 1269, 1268, 1267, 1266, 1265, 1264, 1263, 1262, 1261, 1260, 1259, 1258, 1257, 1256, 1255, 1254, 1253, 1252, 1251, 1250, 1249, 1248, 1247, 1246, 1245, 1244, 1243, 1242, 1241, 1240, 1239, 1238, 1237, 1236, 1235, 1234, 1233, 1232, 1231, 1230, 1229, 1228, 1227, 1226, 1225, 1224, 1223, 1222, 1221, 1220, 1219, 1218, 1217, 1216, 1215, 1214, 1213, 1212, 1211, 1210, 1209, 1208, 1207, 1206, 1205, 1204, 1203, 1202, 1201, 1200, 1199, 1198, 1197, 1196, 1195, 1194, 1193, 1192, 1191, 1190, 1189, 1188, 1187, 1186, 1185, 1184, 1183, 1182, 1181, 1180, 1179, 1178, 1177, 1176, 1175, 1174, 1173, 1172, 1171, 1170, 1169, 1168, 1167, 1166, 1165, 1164, 1163, 1162, 1161, 1160, 1159, 1158, 1157, 1156, 1155, 1154, 1153, 1152, 1151, 1150, 1149, 1148, 1147, 1146, 1145, 1144, 1143, 1142, 1141, 1140, 1139, 1138, 1137, 1136, 1135, 1134, 1133, 1132, 1131, 1130, 1129, 1128, 1127, 1126, 1125, 1124, 1123, 1122, 1121, 1120, 1119, 1118, 1117, 1116, 1115, 1114, 1113, 1112, 1111, 1110, 1109, 1108, 1107, 1106, 1105, 1104, 1103, 1102, 1101, 1100, 1099, 1098, 1097, 1096, 1095, 1094, 1093, 1092, 1091, 1090, 1089, 1088, 1087, 1086, 1085, 1084, 1083, 1082, 1081, 1080, 1079, 1078, 1077, 1076, 1075, 1074, 1073, 1072, 1071, 1070, 1069, 1068, 1067, 1066, 1065, 1064, 1063, 1062, 1061, 1060, 1059, 1058, 1057, 1056, 1055, 1054, 1053, 1052, 1051, 1050, 1049, 1048, 1047, 1046, 1045, 1044, 1043, 1042, 1041, 1040, 1039, 1038, 1037, 1036, 1035, 1034, 1033, 1032, 1031, 1030, 1029, 1028, 1027, 1026, 1025, 1024, 1023, 1022, 1021, 1020, 1019, 1018, 1017, 1016, 1015, 1014, 1013, 1012, 1011, 1010, 1009, 1008, 1007, 1006, 1005, 1004, 1003, 1002, 1001, 1000, 999, 998, 997, 996, 995, 994, 993, 992, 991, 990, 989, 988, 987, 986, 985, 984, 983, 982, 981, 980, 979, 978, 977, 976, 975, 974, 973, 972, 971, 970, 969, 968, 967, 966, 965, 964, 963, 962, 961, 960, 959, 958, 957, 956, 955, 954, 953, 952, 951, 950, 949, 948, 947, 946, 945, 944, 943, 942, 941, 940, 939, 938, 937, 936, 935, 934, 933, 932, 931, 930, 929, 928, 927, 926, 925, 924, 923, 922, 921, 920, 919, 918, 917, 916, 915, 914, 913, 912, 911, 910, 909, 908, 907, 906, 905, 904, 903, 902, 901, 900, 899, 898, 897, 896, 895, 894, 893, 892, 891, 890, 889, 888, 887, 886, 885, 884, 883, 882, 881, 880, 879, 878, 877, 876, 875, 874, 873, 872, 871, 870, 869, 868, 867, 866, 865, 864, 863, 862, 861, 860, 859, 858, 857, 856, 855, 854, 853, 852, 851, 850, 849, 848, 847, 846, 845, 844, 843, 842, 841, 840, 839, 838, 837, 836, 835, 834, 833, 832, 831, 830, 829, 828, 827, 826, 825, 824, 823, 822, 821, 820, 819, 818, 817, 816, 815, 814, 813, 812, 811, 810, 809, 808, 807, 806, 805, 804, 803, 802, 801, 800, 799, 798, 797, 796, 795, 794, 793, 792, 791, 790, 789, 788, 787, 786, 785, 784, 783, 782, 781, 780, 779, 778, 777, 776, 775, 774, 773, 772, 771, 770, 769, 768, 767, 766, 765, 764, 763, 762, 761, 760, 759, 758, 757, 756, 755, 754, 753, 752, 751, 750, 749, 748, 747, 746, 745, 744, 743, 742, 741, 740, 739, 738, 737, 736, 735, 734, 733, 732, 731, 730, 729, 728, 727, 726, 725, 724, 723, 722, 721, 720, 719, 718, 717, 716, 715, 714, 713, 712, 711, 710, 709, 708, 707, 706, 705, 704, 703, 702, 701, 700, 699, 698, 697, 696, 695, 694, 693, 692, 691, 690, 689, 688, 687, 686, 685, 684, 683, 682, 681, 680, 679, 678, 677, 676, 675, 674, 673, 672, 671, 670, 669, 668, 667, 666, 665, 664, 663, 662, 661, 660, 659, 658, 657, 656, 655, 654, 653, 652, 651, 650, 649, 648, 647, 646, 645, 644, 643, 642, 641, 640, 639, 638, 637, 636, 635, 634, 633, 632, 631, 630, 629, 628, 627, 626, 625, 624, 623, 622, 621, 620, 619, 618, 617, 616, 615, 614, 613, 612, 611, 610, 609, 608, 607, 606, 605, 604, 603, 602, 601, 600, 599, 598, 597, 596, 595, 594, 593, 592, 591, 590, 589, 588, 587, 586, 585, 584, 583, 582, 581, 580, 579, 578, 577, 576, 575, 574, 573, 572, 571, 570, 569, 568, 567, 566, 565, 564, 563, 562, 561, 560, 559, 558, 557, 556, 555, 554, 553, 552, 551, 550, 549, 548, 547, 546, 545, 544, 543, 542, 541, 540, 539, 538, 537, 536, 535, 534, 533, 532, 531, 530, 529, 528, 527, 526, 525, 524, 523, 522, 521, 520, 519, 518, 517, 516, 515, 514, 513, 512, 511, 510, 509, 508, 507, 506, 505, 504, 503, 502, 501, 500, 499, 498, 497, 496, 495, 494, 493, 492, 491, 490, 489, 488, 487, 486, 485, 484, 483, 482, 481, 480, 479, 478, 477, 476, 475, 474, 473, 472, 471, 470, 469, 468, 467, 466, 465, 464, 463, 462, 461, 460, 459, 458, 457, 456, 455, 454, 453, 452, 451, 450, 449, 448, 447, 446, 445, 444, 443, 442, 441, 440, 439, 438, 437, 436, 435, 434, 433, 432, 431, 430, 429, 428, 427, 426, 425, 424, 423, 422, 421, 420, 419, 418, 417, 416, 415, 414, 413, 412, 411, 410, 409, 408, 407, 406, 405, 404, 403, 402, 401, 400, 399, 398, 397, 396, 395, 394, 393, 392, 391, 390, 389, 388, 387, 386, 385, 384, 383, 382, 381, 380, 379, 378, 377, 376, 375, 374, 373, 372, 371, 370, 369, 368, 367, 366, 365, 364, 363, 362, 361, 360, 359, 358, 357, 356, 355, 354, 353, 352, 351, 350, 349, 348, 347, 346, 345, 344, 343, 342, 341, 340, 339, 338, 337, 336, 335, 334, 333, 332, 331, 330, 329, 328, 327, 326, 325, 324, 323, 322, 321, 320, 319, 318, 317, 316, 315, 314, 313, 312, 311, 310, 309, 308, 307, 306, 305, 304, 303, 302, 301, 300, 299, 298, 297, 296, 295, 294, 293, 292, 291, 290, 289, 288, 287, 286, 285, 284, 283, 282, 281, 280, 279, 278, 277, 276, 275, 274, 273, 272, 271, 270, 269, 268, 267, 266, 265, 264, 263, 262, 261, 260, 259, 258, 257, 256, 255, 254, 253, 252, 251, 250, 249, 248, 247, 246, 245, 244, 243, 242, 241, 240, 239, 238, 237, 236, 235, 234, 233, 232, 231, 230, 229, 228, 227, 226, 225, 224, 223, 222, 221, 220, 219, 218, 217, 216, 215, 214, 213, 212, 211, 210, 209, 208, 207, 206, 205, 204, 203, 202, 201, 200, 199, 198, 197, 196, 195, 194, 193, 192, 191, 190, 189, 188, 187, 186, 185, 184, 183, 182, 181, 180, 179, 178, 177, 176, 175, 174, 173, 172, 171, 170, 169, 168, 167, 166, 165, 164, 163, 162, 161, 160, 159, 158, 157, 156, 155, 154, 153, 152, 151, 150, 149, 148, 147, 146, 145, 144, 143, 142, 141, 140, 139, 138, 137, 136, 135, 134, 133, 132, 131, 130, 129, 128, 127, 126, 125, 124, 123, 122, 121, 120, 119, 118, 117, 116, 115, 114, 113, 112, 111, 110, 109, 108, 107, 106, 105, 104, 103, 102, 101, 100, 99, 98, 97, 96, 95, 94, 93, 92, 91, 90, 89, 88, 87, 86, 85, 84, 83, 82, 81, 80, 79, 78, 77, 76, 75, 74, 73, 72, 71, 70, 69, 68, 67, 66, 65, 64, 63, 62, 61, 60, 59, 58, 57, 56, 55, 54, 53, 52, 51, 50, 49, 48, 47, 46, 45, 44, 43, 42, 41, 40, 39, 38, 37, 36, 35, 34, 33, 32, 31, 30, 29, 28, 27, 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, 0, -1, -2, -3, -4, -5, -6, -7, -8, -9, -10, -11, -12, -13, -14, -15, -16, -17, -18, -19, -20, -21, -22, -23, -24, -25, -26, -27, -28, -29, -30, -31, -32, -33, -34, -35, -36, -37, -38, -39, -40, -41, -42, -43, -44, -45, -46, -47, -48, -49, -50, -51, -52, -53, -54, -55, -56, -57, -58, -59, -60, -61, -62, -63, -64, -65, -66, -67, -68, -6



WORLD STOCK MARKETS

AUSTRIA market data table with columns for stock names, prices, and changes.

GERMANY market data table with columns for stock names, prices, and changes.

NORWAY market data table with columns for stock names, prices, and changes.

AUSTRALIA (continued) market data table with columns for stock names, prices, and changes.

JAPAN (continued) market data table with columns for stock names, prices, and changes.

CANADA market data table with columns for stock names, prices, and changes.

TORONTO Closing prices January 15 market data table.

MONTREAL Closing prices January 15 market data table.

INDICES market data table showing various index values.

NETHERLANDS market data table with columns for stock names, prices, and changes.

ITALY market data table with columns for stock names, prices, and changes.

SWITZERLAND market data table with columns for stock names, prices, and changes.

JAPAN market data table with columns for stock names, prices, and changes.

SINGAPORE market data table with columns for stock names, prices, and changes.

NEW YORK-DOW JONES market data table with columns for index values.

SOUTH AFRICA market data table with columns for stock names, prices, and changes.

STANDARD AND POORS market data table with columns for index values.

OVER-THE-COUNTER Nasdaq national market closing prices table.

OVER-THE-COUNTER (Continued from Page 39) market data table.

OVER-THE-COUNTER (Continued from Page 39) market data table.

OVER-THE-COUNTER (Continued from Page 39) market data table.

OVER-THE-COUNTER (Continued from Page 39) market data table.

OVER-THE-COUNTER (Continued from Page 39) market data table.

OVER-THE-COUNTER (Continued from Page 39) market data table.

OVER-THE-COUNTER (Continued from Page 39) market data table.

OVER-THE-COUNTER (Continued from Page 39) market data table.

OVER-THE-COUNTER (Continued from Page 39) market data table.

Hand Delivery Service advertisement for Antwerp/Brussels/Ghent/Kortrijk/Leuven/Luxembourg.

Hand Delivery Service advertisement for Belgium & Luxembourg.

Hand Delivery Service advertisement for Belgium & Luxembourg.

Hand Delivery Service advertisement for Belgium & Luxembourg.

Hand Delivery Service advertisement for Belgium & Luxembourg.

Hand Delivery Service advertisement for Belgium & Luxembourg.

Hand Delivery Service advertisement for Belgium & Luxembourg.

Hand Delivery Service advertisement for Belgium & Luxembourg.

Hand Delivery Service advertisement for Belgium & Luxembourg.

Large advertisement for Financial Times, featuring the headline 'For morning delivery of the FT in major business centers coast-to-coast, call 212-752-4500.' and 'Because we live in financial times.'







NYSE COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices. Columns include 12 Month High/Low, Stock Name, Dividend Yield, P/E Ratio, and Price Change. Includes sub-sections for 'Continued from Page 38' and 'WORLD STOCK MARKET'.

AMEX COMPOSITE CLOSING PRICES

Table of AMEX Composite Closing Prices. Columns include Stock Name, P/E Ratio, High/Low, and Price Change. Includes sub-sections for 'Continued from Page 38' and 'WORLD STOCK MARKET'.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of Over-the-Counter (Nasdaq) Closing Prices. Columns include Stock Name, Sales Volume, High/Low, and Price Change. Includes sub-sections for 'Continued from Page 38' and 'WORLD STOCK MARKET'.



# FINANCIAL TIMES

## WORLD STOCK MARKETS

### WALL STREET

## Confidence revives in lower rates

MR MARTIN BANGEMANN, the West German Economics Minister, yesterday revived Wall Street's confidence that US interest rates have further to fall, writes Terry Byland in New York.

His reported comments that the US will seek a co-ordinated interest rate reduction by the G5 countries at this week-end's meeting spurred a sharp rise in the bond prices, which soon overflowed into the stock market. The advance was only slightly restrained by the refusal by Mr James Baker, US Treasury Secretary, to comment.

Bond prices extended their gains as the Fed announced substantial repurchase arrangements to offset the adverse cash flows associated with the opening of the year. The board again pre-announced repurchases - this time for five and seven days. Longer-dated bonds showed gains of nearly 1/2 points, and short-term rates turned easier despite a sharp rise in federal funds.

A rise of 10 Dow points in the stock market was trimmed when General Electric, a constituent, fell \$1 to \$89 on its results. The Dow Jones industrial average ended a net 8.25 points higher at 1,527.29. Trading was heavy, with 122.5m

shares changing hands as interest spread from the blue chips to the broader range. Honeywell surged ahead on good results.

The renewed hopes of lower US rates countered the effects of the recent employment and retail sales statistics, which indicate a strengthening economy and thus lowered expectations that the Fed will influence rates downwards. Although retail interest in bonds remained relatively restrained, there were signs of buying by institutions and especially Japanese investors.

Among interest-rate sensitive stocks, quick to respond to the reports from West Germany, the money centre banks were prominent, led by Chase Manhattan, \$2 1/2 up at \$78, and Citicorp, up 1 1/4 at \$52 1/4. Federal National Mortgage (Fannie Mae), an immediate beneficiary from lower rates, gained 1 1/4 to \$25 1/4.

With prospects for lower US rates and a lower dollar back on the horizon, there was a sharp jump in bullion prices which brought a technical rebound in the North American gold producer issues. Homestake Mining, the major US gold producer, gained 5/8 to \$28 1/2.

Among the Canadians, Dome Mines added 5/8 to \$11 1/4 and Echo Bay Mines \$2 to \$15 1/4. South African mining issues, traded on the over-the-counter markets, remained subdued, but there was a gain of 1/4 to \$39 1/4 in ASA, the investment trust which is the main vehicle for US investors in these mines.

IBM, now on the verge of announcing results, gained \$3/4 to \$152 1/2 in brisk trade. Digital Equipment, second to IBM in data processing, bounced up 5/8 to \$141 1/4. After increasing the dividend

payout on the back of the results announced this week, NCR jumped \$1 1/4 to \$41 1/4.

Airline stocks rebounded, led by the two major domestic carriers, United, up \$1 at \$48 1/4, and American, up \$2 at \$41 1/4. With the latest car industry sales figures down sharply, the Detroit motor stock looked mixed - General Motors 5/8 easier at \$68 1/4 and Ford up 3/4 at \$59 1/4.

The renewed bullishness revived several speculative market rumours. Honeywell gained \$2 1/4 to \$77 1/4 although the board denied suggestions of a leveraged buy-out. RCA was heavily traded but showed a gain of only 3/4 to \$63 after an early gain was largely erased when United Technologies firmly rejected rumours of a bid plan.

Champion Spark Plug was also very active but off its top with a gain of 3/4 to \$10 1/4 following a boardroom denial of any merger negotiations. But more successful spots included Avondale Mills, up \$2 1/4 at \$23 on news of buy-out talks, and GAF, up 1/4 at \$54 1/4 after a Paine Webber analyst told clients that the stock would benefit strongly from its Carbide stake.

In the over-the-counter market, stock in HBO, which installs hospital computer systems, fell \$2 1/4 to \$15 when Dean Witter Reynolds removed it from the firm's recommended list, and the company planned a statement on the profits outlook.

The credit markets brushed aside a jump in federal funds to 8 1/2 per cent, despite a further \$2bn in customer repurchases from the Fed when the rate touched 8 per cent. The board has generously provided reserves this week - including foreshadowing \$850m of 15-day customer repurchases due to be made yesterday - but the reserves are clearly intended to smooth traditional January cash flow distortions and not to represent any change in policy.

Treasury bill rates eased by 4 basis points. But bond prices showed renewed strength at mid-session, when early gains of more than a full point were restored.

### EUROPE

## Foreigners return with a vengeance

FOREIGNERS returned to Europe yesterday with a vengeance and swamped some bourses in a wave of bargain-hunting.

Frankfurt was first on their itinerary and the exchange was again forced to extend trading by 30 minutes to process the surge in turnover.

The Commerzbank index rose 55.7 to 2,161.8, its second consecutive record this week.

Brokers noted a lack of fresh factors stimulating the steady rise and some believed that the rally was self-perpetuating.

Centre stage was held by Siemens, which, after a buy recommendation from a local brokerage house, leapt 6.6 per cent to finish up DM 54 at DM 818.

AEG dropped on news that the Cartel Office would later this month rule on Daimler's plans to take a majority stake in the group. The electrical group lost DM 4 to DM 308 as Daimler continued to deny that it planned to raise its offer for outstanding AEG shares.

Daimler, however, gained on the day, ending DM 60 up at DM 1,445, as it led the car sector higher.

In banks, Bayerische Hypotheken fell to profit-taking after recent strong gains on takeover speculation. It fell DM 27 to DM 627.

Insurer Allianz, which on Tuesday was at the other end of the Bayerische

Hypo takeover rumour, surged again, adding DM 65 to DM 2,665.

Retailers were also strong and engineering issues bullish. Foreign and domestic investors took up fresh positions in the bond market and prices ended higher. Longs showed gains of about 35 basis points and shorts rose by as much as 10 basis points.

The Bundesbank continued its selling spree, divesting itself of DM 60.3m worth of paper.

Activity in West Germany fuelled sentiment in Amsterdam, which also reacted to increased optimism over the Dutch economy and the slightly firmer dollar.

Multinationals, which have recently been in the doldrums, continued their recovery, with Akzo FI 1.90 higher at 157.10 and Philips up FI 2.80 at FI 81.90.

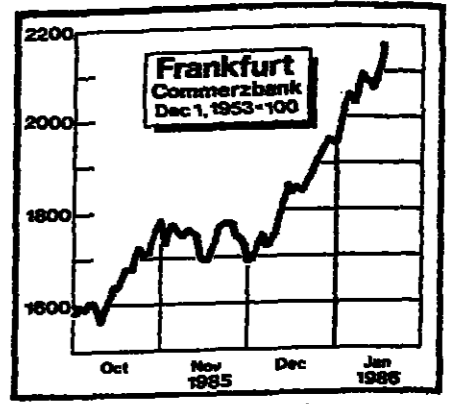
Star performers were construction issues, which received a boost from national newspaper reports that the industry was poised for a recovery in 1988. HBG added FI 4.50 to FI 142 and Volker Stevin was up FI 2 at FI 37.20.

Zurich extended the rally begun late on Tuesday as gains in the recently somnolent banking sectors pulled other stocks higher. Credit Suisse gained SFr 60 to SFr 3,600 and Bank Leu added a sparkling SFr 175 to SFr 4,700.

The market was flooded with large buy orders from institutions for Nestlé, whose bearer share added SFr 105 to SFr 4,980.

Bargain-hunting pushed Paris higher in active trading. Investors were also cheered by a drop in the overnight call money rate.

Building issues stole the show ahead of next Monday's decision on the English Channel fixed-link project. Auxiliaire d'Entreprises gained FF 65 to FF 1,495, while Bouygues, which faded in the previous session, climbed FF 39 higher to FF 1,000.



Despite buying interest in some sectors, Brussels continued to suffer from profit-taking and ended mixed. Financials, non-ferrous metals, steels and oil issues put in a better performance, while banking stocks were weaker.

Milan was again higher ahead of today's end of the January trading account, but Stockholm finished down despite an attempted upturn during the morning. Banks took Madrid marginally ahead.

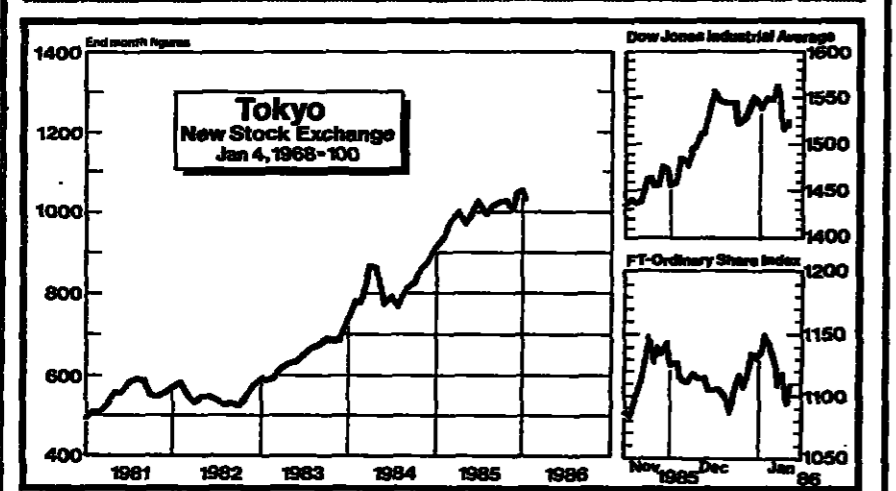
### SOUTH AFRICA

THE STRONGER bull price took Johannesburg gold shares sharply higher. Among the leading issues Randfontein surged R14 to R287 while in firmer mining, financials its holding company "Johnnies" rose R15 to R300 on quarterly results.

Impala Platinum gained more ground with another R11.15 rise to R28.50, and leading diamond share De Beers added R1.05 to R18.05.

Barlow Rand benefited from the stronger sentiment and advanced 35 cents to R15.

### KEY MARKET MONITORS



STOCK MARKET INDICES			
	Jan 15	Previous	Year ago
<b>NEW YORK</b>			
DJ Industrials	1,527.29	1,519.04	1,230.79
DJ Transport	698.84	692.78	591.78
DJ Utilities	173.01	172.55	148.39
S&P Composite	208.28	206.64	170.81
<b>LONDON</b>			
FT 100	1,109.6	1,094.3	981.3
FT-SE 100	1,390.5	1,370.1	1,233.2
FT-A All-share	672.02	664.42	604.53
FT-A 500	736.96	727.53	664.00
FT Gold mines	311.6	305.8	460.1
FT-A Long gilt	10.68	10.77	10.67
<b>TOKYO</b>			
Nikkei	closed 12,928.6	11,823.9	
Tokyo SE	closed 1,027.9	930.36	
<b>AUSTRALIA</b>			
All Ord.	1,050.5	1,048.9	734.8
Metals & Mins.	531.2	528.4	407.9
<b>AUSTRIA</b>			
Credit Aktien	126.82	125.74	58.52
<b>BELGIUM</b>			
Belgian SE	2,766.91	2,768.26	2,151.26
<b>CANADA</b>			
Toronto			
Metals & Mins	2,194.7	2,148.99	1,969.9
Composite	2,843.9	2,811.98	2,394.10
Montreal			
Portfolio	138.96	137.46	120.17
<b>DENMARK</b>			
SE	n/a	216.31	160.43
<b>FRANCE</b>			
CAC Gen	272.5	270.2	189.9
Ind. Tendence	104.0	103.1	103.9
<b>WEST GERMANY</b>			
FAZ-Aktien	716.78	707.2	391.33
Commerzbank	2,161.8	2,106.1	1,137.7
<b>HONG KONG</b>			
Hang Seng	1,783.66	1,782.23	1,331.00
<b>ITALY</b>			
Banca Comm.	475.63	485.41	248.89
<b>NETHERLANDS</b>			
ANP-CBS Gen	261.8	258.1	190.3
ANP-CBS Ind	248.9	245.8	152.2
<b>NORWAY</b>			
Oslo SE	401.52	401.87	314.31
<b>SINGAPORE</b>			
Straits Times	629.15	634.00	770.16
<b>SOUTH AFRICA</b>			
JSE Golds	-	1,184.1	1,026.0
JSE Industrials	-	1,101.5	903.5
<b>SPAIN</b>			
Madrid SE	109.32	108.55	108.68
<b>SWEDEN</b>			
J & P	1,805.00	1,819.21	1,414.01
<b>SWITZERLAND</b>			
Swiss Bank Ind	605.2	596.1	403.4
<b>WORLD</b>			
Capital Int'l	Jan 14	Prev	Year ago
	252.7	252.7	189.3

CURRENCIES			
	Jan 15	Previous	Jan 15
<b>US DOLLAR</b>			
(London)			
\$	2.4625	2.468	1.442
DM	202.35	202.6	291.75
Yen	7.555	7.575	10.895
SFR	2.082	2.088	3.025
Guilder	2.771	2.777	3.995
Lira	1.6765	1.6815	2.4175
BP	50.15	50.35	72.3
CS	1.405	1.40405	2.0255
<b>STERLING</b>			
Jan 15	Previous	Jan 15	Previous
\$	1.442	1.4405	
DM	3.5525	3.5525	
Yen	291.75	291.75	
10.895	10.895		
3.025	3.025		
3.995	3.995		
2.4175	2.42225		
72.3	72.5		
2.022	2.022		

INTEREST RATES			
	Jan 15	Prev	
<b>Euro-currencies</b>			
(3-month offered rate)			
\$	n/a	13%	
DM	n/a	4%	
FF	n/a	4 1/4%	
FF	n/a	12 1/4%	
<b>FT London interbank fixing</b>			
(offered rate)			
3-month US\$	8%	8%	
6-month US\$	8%	8%	
US Fed Funds	8%	7%	
US 3-month CDs	7.85	7.85	
US 3-month T-bills	7.18	7.255	

US BONDS			
	Jan 15	Prev	
<b>Treasury</b>			
7% 1987	99 1/2	8.794	99 1/2
8% 1988	96 1/2	9.06	97 1/2
9% 1986	101 1/2	9.289	100 1/2
9% 2015	104 1/2	9.45	103 1/2
<b>Treasury Index</b>			
Maturity	Return	Jan 15	Yield
(years)	Index	Change	Day's
1-30	136.82	+0.47	8.99
1-10	133.70	+0.31	8.79
1-3	128.91	+0.15	8.57
3-5	135.49	+0.35	8.91
15-30	148.06	+1.11	9.81

FINANCIAL FUTURES			
	Jan 15	Prev	
<b>Corporate</b>			
AT & T	Price	Yield	Price
10% Jan 1990	102 1/2	10.30	101 1/2
3% July 1990	85.321	7.85	85.321
8% May 2000	92 1/2	10.08	88 1/2
Xerox			
10% Mar 1993	104	9.82	102 1/2
Diamond Shamrock			
10% May 1983	102	10.22	101
Federated Dept Stores			
10% May 2013	100 1/2	10.60	98 1/2
Abbot Lab			
11.80 Feb 2013	106 1/2	11.00	106 1/2
Alcoa			
12% Dec 2012	106 1/2	11.50	108 1/2

COMMODITIES			
	Jan 15	Prev	
<b>(London)</b>			
Silver (spot fixing)	424.05p	418.00p	
Copper (cash)	£97.50	£100.50	
Coffee (Jan)	£2,492.50	£2,550.00	
Oil (spot Arabian Light)	£26.75	£27.05	
<b>GOLD (per ounce)</b>			
Jan 15	Prev		
London	\$346.25	\$340.25	
Zurich	\$347.35	\$341.50	
Paris (fixing)	\$347.12	\$341.64	
Luxembourg	\$342.30	\$338.65	
New York (Feb)	\$350.70	\$341.00	

### LONDON

A BURST of optimism shot through London yesterday as reports that the West German Economics Minister had embarked on a plan to co-ordinate an interest-rate cut.

Share and bond prices surged higher, and the FT Ordinary index briskly extended a near-close rise of only 6 points to finish 15.3 ahead at 1,109.6 while the FT-SE 100 index added 20.4 to 1,390.5.

Interest rates had earlier dictated the trend as domestic financial markets waited to see whether the Bank of England's bold initiative on Tuesday would be successful.

Gilt enjoyed considerable after-hour support, with longs gaining almost a full point, while shorts advanced 1/4 in places. Chief price changes, Page 37, Details, Pages 36; Share information service, Pages 34-35

### HONG KONG

A TIMELY dose of bargain-hunting injected some life into Hong Kong and buoyed the Hang Seng index 1.43 higher to 1,783.66.

Small investors and isolated overseas institutional support formed the basis of the buying that firmed China Light 30 cents to HK\$16.30 and Hongkong Telephone 10 cents to HK\$10.90. Hongkong Gas moved against the trend with a 20-cent fall to HK\$14.40.

Jardine Matheson picked up 10 cents to HK\$13.40 while Hongkong Land firmed 5 cents to HK\$6.70. Cheung Kong failed to recoup the losses of the previous session and closed steady at HK\$21.10.

Some stability returned to the banking sector.

### AUSTRALIA

A MORE BULLISH tone was evident in Sydney as the All Ordinaries added 1.7 to 1,050.66, just below its record high, and the All Industrials Index firmed 2.4 to a peak 1,549.1.

Pioneer Concrete was actively traded with about 3.3m shares crossed in Melbourne, although the price held steady at A\$2.70.

BHP traded in an 8-cent range before closing unchanged at A\$8.44 while CSB picked up 2 cents to A\$3.72 and Bell Resources was steady at A\$5.80.

Mines eased although some leading issues recovered some from the day's low.

### SINGAPORE

FURTHER GROUND was surrendered in a listless Singapore as investors trimmed 4.85 off the Straits Times industrial index at 629.15.

Singapore Airlines was the most active, after a busy session on Tuesday, and finished steady at S\$4.92 on turnover of 882,000 from a total volume of 6.2m.

Sime Darby was also active with a 1-cent fall to S\$1.46, and Singapore Land, most active in the previous session, was busy with a 1-cent fall to S\$1.99.

### CANADA

SURGING gold shares triggered a broad advance in Toronto, and further encouragement was found in the stronger performance on Wall Street.

Gold stocks, buoyed by the highest bullion price for 10 months, jumped with early gains of C\$1 apiece for Dome Mines at C\$15 1/4 and Lac Minerals at C\$38 1/4. Echo Bay traded C\$4 higher to C\$21 1/4.

Banks and mines were the strongest feature of a higher Montreal.

### TOKYO

## Establishing a toehold for the future

MORE FOREIGN banks and securities houses are opening representative offices in Tokyo as a toehold for future securities business in Japan, writes Shigeo Nishitani of Jiji Press.

Such representative offices, licensed on registration with the Ministry of Finance, increased by 22 last year to 112, reflecting growing foreign interest in Tokyo as an international financial centre rivaling New York and London.

In addition, according to one foreign securities house, many other foreign concerns not registered with the Finance Ministry have representatives working out of rooms in hotels or condominiums.

The activities of representative offices of foreign financial institutions are limited to market research, and analysis and corporate research work. But their general aim is to win the ministry's approval to open branch offices qualified to deal in securities.

Ten representative offices were upgraded to branch offices last year. Six of them, including Schröders, a British merchant bank subsidiary, and Deutsche Bank, subsidiary of the leading West German bank, gained the status on December 20.

The simultaneous approval of so many was seen by some observers as the ministry's response to criticisms by the US, Britain and West Germany over foreign access to Japanese financial markets. But the ministry denied that it yielded to foreign pressure.

A ministry official estimates that the number of foreign offices doing securities

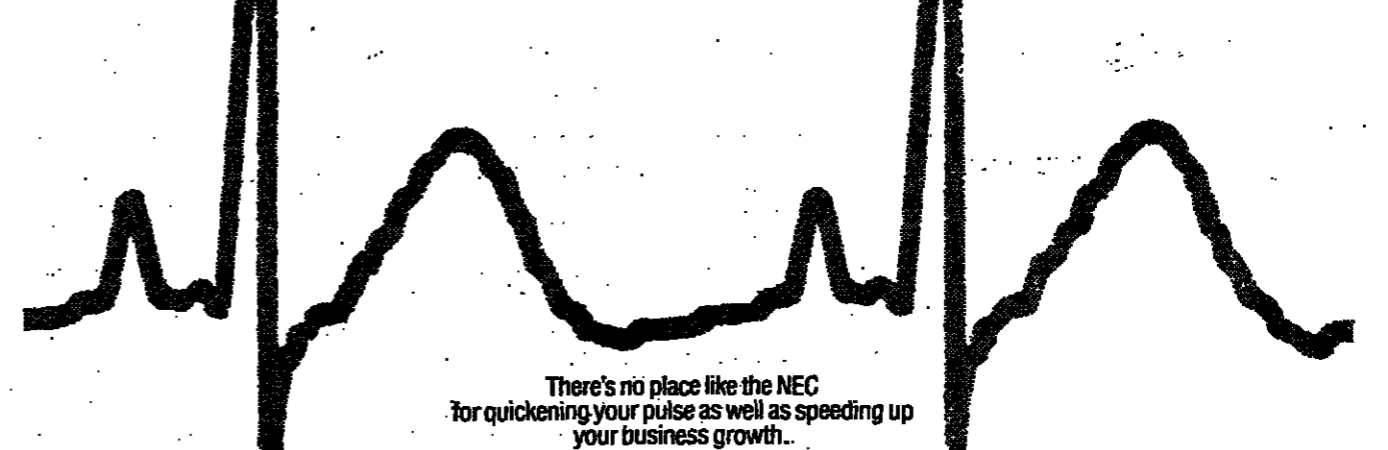
business in Tokyo will increase to around 40 this year from the present 20.

The rush into Tokyo has caused an acute shortage of office space around Marunouchi, the central financial district. A room for rent, if any, will cost ¥12,000 (\$89) a square metre a month, plus ¥1,000 to ¥2,000 in guarantee money. Space may be even costlier than in New York and London, says a leading property group.

These foreign institutions are also looking for Japanese who are well experienced in international securities business, proficient in English and competent in negotiations with the authorities.

Most are trying to recruit through the head-hunting agencies which have recently proliferated. Salary offers range from \$200,000 to \$400,000 a year, several times higher than those paid by Japanese securities firms.

# Head for the big heart of England and it won't just be your business that moves at a faster rate.



There's no place like the NEC for quickening your pulse as well as speeding up your business growth.

### THE NEC... 10 YEARS OF SETTING THE STANDARDS

A world class venue, which in the past 10 years has become established as one of the most prestigious names in international trade - that's Britain's National Exhibition Centre.

With nine separate exhibition halls, no fewer than 105,000 square metres of floor space and some of the most advanced and lavish exhibitor and visitor facilities available - strategically sited in the heart of Britain - it's small wonder that NEC is universally recognised by giants like Interbuild (Britain's largest single trade fair), the International Spring Fair (now occupying every square metre of space) and IPEX (a European leader in print and graphic design).

### AT THE HEART OF THE REAL ENGLAND

Within easy reach of some of the most exhilarating scenery, historic locations and outstanding recreational